

Arrests Danish Captain in 12-Mile Coastal Zone

Danish Hold Talks to Resolve Fishing Conflict

Staff From Dispatches
JELLS, England — A Danish captain was arrested by British Navy officers in the 12-mile coastal zone off the British fishing restrictions. The captain, who was on board a Danish fishing vessel, was arrested after a confrontation with British naval forces. The incident occurred in the North Sea, where Danish fishing vessels have been operating in the 12-mile zone. The British Navy has been enforcing its fishing restrictions in this area, leading to tensions between the two countries. The Danish captain was held for several hours before being released. The incident has led to renewed discussions between the Danish and British governments regarding fishing rights in the North Sea.

Nakasone Offers Steps to Improve U.S. Ties

By Tracy Dahlby
Washington Post Service
TOKYO — Prime Minister Yasuhiro Nakasone said Thursday that Japan is prepared to bolster its military ties with the United States to offset a growing Soviet presence in the Pacific. He said that Japan will take "more drastic" steps to open Japan's markets to foreign products before he meets with President Ronald Reagan later this month in Washington.



Yasuhiro Nakasone

In a luncheon interview with seven U.S. newsmen at his official residence, Mr. Nakasone said that Japan's military ties with the United States were the "backbone" of Japanese diplomacy. He appeared to be setting the stage for an attempt to reaffirm friendly ties between the two countries, which have been strained by Japanese trade surpluses with the United States.

Speaking through an interpreter, Mr. Nakasone said that Japan's military ties with the United States were the "backbone" of Japanese diplomacy. He appeared to be setting the stage for an attempt to reaffirm friendly ties between the two countries, which have been strained by Japanese trade surpluses with the United States.

Mr. Nakasone also stressed the "complementary" nature of Japan's military relationship with the United States, under a 30-year-old mutual security treaty between the two countries.

Asked about Japan's economic ties with the United States, Mr. Nakasone indicated that his cabinet was set to enforce more sweeping steps to open Japan's markets to foreign goods. Those steps, he said, may be taken after a meeting of key economic ministers here on Jan. 13.

Mr. Nakasone declined to give details, but hinted that the package may include further concessions on customs regulations, rules on product standards and testing procedures. He said his cabinet was studying the possibility of drafting comprehensive legislation that would, in effect, do away with the Japanese people are gravely concerned about the Soviet mili-

Mr. Genscher said at a news conference. "I am moderately confident."

But Mr. Genscher made it clear that the nine other EC countries were not prepared to make Denmark a better offer. He said it would be "inappropriate" to use the word "transposition" to describe Thursday's talks.

Mr. Ellemann-Jensen said his government disapproved of Mr. Kirk's decision to sail into British waters, "but the British rules are very discriminatory against Denmark" and "we will give him the same legal support as other fishermen."

Four Royal Navy officers boarded Mr. Kirk's trawler after he dropped his nets in the disputed waters. When the officers inspected the nets, they discovered he had not caught a single fish.

At the North Shields docks, officials handed Mr. Kirk a summons to appear in magistrates court Friday to face charges of illegal fishing. His trawler and gear were impounded pending the hearing, but Mr. Kirk and his crew planned to spend the night aboard the vessel.

Fisheries officials in London said Mr. Kirk moved into the 12-mile zone and began fishing 10 miles off England's eastern shore near Whitby in the North Sea. Mr. Kirk, followed by the Royal Navy, entered British waters 48 hours after leaving Esbjerg, Denmark.

Heavy seas and gale-force winds battered the Sand Kirk, which was one of about 100 Danish fishing vessels that sailed toward British waters to protest the ban.

Britain stationed 22 Royal Navy and fisheries protection vessels in the zone and has threatened the boat crews with arrest, fines of \$80,000 and confiscation of fishing gear.

Britain denied Jan. 1 to exclude the Danes from the 12-mile zone, which is rich in sprat and mackerel, allowing only industrial fishing for catches later processed into meal and fertilizers. The decision came after Denmark refused to accept a fishing agreement by all other EC countries.

Late Wednesday, the European Commission in Brussels started a Danish challenge of the fishing agreement and authorized national fishing regulations by the EC, including Britain, until Jan. 30.

INSIDE

Prices on the New York Stock Exchange surged, and the Dow Jones industrial average closed at a new record 1,070.92, up 26.03 points. Page 11.

In a major political setback, Prime Minister Gandhi's party appeared headed toward defeat in two traditional strongholds in southern India. Page 2.

Mozambican rebels are reported to have blown up a section of the oil pipeline to Zimbabwe. Page 5.

Some U.S. astronauts contend that information about their health is private, and that the public should not learn, for example, that they have experienced motion sickness and vomited in space. Page 3.

What's the best restaurant in Paris? The search begins with the six that the Michelin Red Guide has awarded its three-star rating. Page 7.



CABINET NOMINEE — President Ronald Reagan announces that Elizabeth Hanford Dole is to be the new transportation secretary, succeeding Drew L. Lewis. Mrs. Dole, 45, would be the second woman in Mr. Reagan's cabinet and the first to head a department. Page 3.

U.S. Studies Nonaggression Offer But Does Not Find 'Anything New'

By Bernard Gwertzman
New York Times Service
WASHINGTON — The Reagan administration said Thursday that it was studying a proposal for a new East-West nonaggression treaty, but first, it does not seem to represent anything new.

The lengthy Soviet proposal, which the State Department's White House said was "not a treaty," was one of a number of proposals that it was studying in connection with the Reagan administration's policy on arms control and international security.

Mr. Hughes said that at their summit last year, leaders of NATO nations pledged that none of their weapons would ever be used except "in response to aggression."

Mr. Hughes said that the Reagan administration was studying the proposal, but he did not say whether it would accept it. He said, "We are, and will continue to be, receptive to ideas which would genuinely promote peace and peaceful settlements of disputes. Our discussions with our allies will consider whether this is such a proposal."

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East Bloc Plan Proposes Confidence Measures, Verification of Weapons

By John Morrison

Reuters

MOSCOW — The Soviet Union and its Warsaw Pact allies announced Thursday the terms of a nonaggression pact, that they offered to sign with NATO, declaring that there is an urgent need for measures to lessen mistrust between East and West.

A declaration released here said that, under the pact, both alliances would pledge not to be the first to use any kind of military force, either nuclear or conventional.

The declaration was signed Wednesday in Prague by the Soviet leader, Yuri V. Andropov, and leaders of the six other Warsaw Pact states.

Similar proposals have been advanced before by the Warsaw Pact as far back as 1958 without evoking much interest in countries of the North Atlantic Treaty Organization.

The Prague declaration called on NATO to consider the offer carefully and respond to it constructively.

Much of the declaration was devoted to endorsing well-known Soviet foreign policy positions on arms control and international problems, but it appeared to contain some new elements.

The document gave a higher priority than any previous Warsaw Pact policy statement to military confidence-building measures and the verification of arms control agreements, issues that are given high priority by the West.

The declaration said the Warsaw Pact states are not seeking military superiority over NATO countries and have no intention of attacking them or any other country.

Because NATO has also said it has no aggressive intentions, "there should be no reason preventing the adoption by the states comprising the two alliances of mutual commitments of an international legal character," it added.

A joint pledge not to use military force would also apply to all military and civilian personnel, ships, planes and spacecraft wherever they might be.

The proposed treaty would also include pledges to avoid the use of force against third countries, to avoid jeopardizing international sea, air and space communications and to achieve results in disarmament negotiations.

There would also be a commitment to examine practical measures to prevent a surprise attack, to promote military, air and naval exchanges and to strengthen the United Nations.

A nonaggression treaty, the declaration said, would not limit the rights of the countries involved to individual and collective self-defense under article 51 of the UN Charter. This was the article that Moscow invoked three years ago when it sent its troops into Afghanistan.

The declaration, published here by the Tass news agency, said the treaty would be open to other interested countries in and outside of Europe to sign if they chose.

The long section of the declaration devoted to disarmament said the Warsaw Pact states believed all arms control agreements should provide for proper verification measures, including, when necessary, international procedures.

Diplomats here said this reference marked a clear step forward from traditional Soviet insistence that arms accords should be verified only by national means — in other words, by spy satellites.

The commitment to international verification, formalized for the first time in a Warsaw Pact document, follows a series of hints of Soviet flexibility on the issue over the past year.

In 1981, Leonid I. Brezhnev, then the Soviet president, softened Moscow's previous insistence on "national technical means" by saying in an interview that other forms of verification might be worked out.

Last year, Foreign Minister Andrei A. Gromyko announced that Moscow was ready to sign a convention banning chemical weapons that would include on-site verification on an agreed basis.

Diplomats believe Moscow has now accepted the idea that a new strategic arms accord with the United States will only be possible if there is some kind of on-site inspection, either by foreign personnel or by automatic devices.

The declaration endorsed the Soviet Union's pledge last year not to be the first to use nuclear weapons in a conflict, and stated that it was nonsensical to hope for victory in a nuclear war.

This appeared to bring Warsaw Pact doctrine into line with high-level Kremlin statements over the past two years. Authoritative Soviet writings on strategy, such as the military encyclopedia still say that the Warsaw Pact countries would have "objective possibilities for achieving victory" in an all-out war with the West.

The declaration warned of a "most serious threat" posed by NATO's planned deployment of U.S. medium-range nuclear missiles in Western Europe and said the Warsaw Pact wanted a "radical reduction" of existing medium-range systems on the continent.

NATO says the 572 cruise and Pershing-2 missiles will be deployed if there is no agreement by the end of this year in the U.S.-Soviet negotiations in Geneva.

The declaration also expressed readiness to remove all chemical weapons from Europe and urged fresh efforts to reach an agreement in the next year or two at the 10-year-old Vienna negotiations on mutual force reductions in Central Europe.

Diplomats said the reference to the force reduction talks included new phrases but it was not clear if there was any change in substance in the Warsaw Pact position.

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Caspar W. Weinberger

Pentagon Plan Resists Cuts in 1984 Budget

By Richard Halloran

New York Times Service

WASHINGTON — Secretary of Defense Caspar W. Weinberger plans to submit to the White House this week a military spending proposal for 1984 that will be close to the \$247 billion projected by the administration a year ago.

That proposal, which means that Mr. Weinberger has resisted steadily increasing pressure from inside and outside the administration to trim military spending, the officials suggested Wednesday.

What the \$247 billion, which Mr. Weinberger has proposed for spending by the Defense Department alone, represents in percentage increase is almost certain to be a point of contention. That sum is

in current dollars, with inflation included.

Proponents of such cuts are seeking to reduce a federal deficit projected at \$200 billion in the 1984 fiscal year, which begins Oct. 1, 1983.

It will also mean that President Ronald Reagan may be forced to choose between conflicting advice from advocates of standing fast on military spending plans, such as Mr. Weinberger, and proponents of cutting the military budget, led by the director of the Office of Management and Budget, David A. Stockman.

The new federal budget is to be submitted to Congress on Jan. 31. Mr. Reagan must make a decision on the defense outlay by the end of next week so it can be included in the budget message.

The military budget was scheduled to have been formally delivered to the White House on Wednesday but was not ready, Pentagon officials said. They added, however, that the Office of Management and Budget already had informal 1984 figures in hand.

There are a multitude of figures on the military budget. One includes budgets for the Defense Department, the portion of the Energy Department budget used for production of nuclear weapons, and small parts of budgets for the CIA and other agencies. Another covers the Defense Department alone.

The military budget can also be seen in funds appropriated by Congress, which Defense Department officials say provides the best measure of trends, although the funds are not all spent in the year appropriated.

It can also be seen in outlays of funds, which officials at the Office of Management and Budget say reflect the effect of military spending on the federal deficit and the national economy.

Since the federal deficit is pivotal in the current debate, the critical figures are those on outlays, or actual spending. When it took office in January 1981, the Reagan administration pledged to increase military spending by an average of 7 percent above inflation each year.

The Office of Management and Budget has not yet disclosed its projection for inflation in 1984 military spending, which will determine how great an increase is being proposed in the military budget when inflation is excluded.

Mr. Weinberger has contended that the figure for 1984 should be measured against the \$215.9 billion proposed by the administration for the 1983 fiscal year, which began on Oct. 1. He has asserted that the proposed increase merely returns military spending to the levels planned a year ago.

But advocates of cuts in military spending will most likely argue that a figure of \$247 billion should be measured against the \$208.8 billion voted by the Congress in December in a continuing resolution that provides funds for this year. They will probably contend that the requested increase would be far too much.

In March 1981, the Reagan administration added \$116.3 billion to a five-year, \$1,172-billion military spending plan drawn up by the Carter administration. But in September 1981, after projections of soaring federal deficits, the administration reduced that by \$19.4 billion.

According to Mr. Weinberger's calculations, the administration further cut the five-year plan by \$14.3 billion as the debate over the 1983 budget intensified in Congress, most of it in projected spending in 1983 and 1986. Congress cut another \$7.1 billion from 1983 outlays.

Thus, Mr. Weinberger has argued, the administration has already taken a \$40.8-billion reduction in its projected military spending, or about one-third of the planned increases over the Carter administration's military spending plans.

New Fighting Erupts in Northern Lebanon

By David B. Ottaway

New York Times Service

TRIPOLI, Lebanon — Militia and political leaders met here Thursday to find a lasting solution to the fighting between pro- and anti-Syrian factions in this northern port city.

Although a ceasefire was declared Wednesday afternoon, sniper and occasional mortar fire could still be heard at moments during the still-foggy day.

Thursday in the parts of the city where the fighting has been concentrated in the last week.

"I can say that the situation is much better than before," asserted Rasim Karame, a former Syrian minister of Lebanon, who has tried to act as mediator and to bring support of Syrian leaders to enforce the still-foggy truce.

"I have tried for a complete ceasefire," Mr. Karame said Thursday morning shortly after meeting in Tripoli with leaders of the various pro-Syrian factions. But later Thursday, fighting between the two sides resumed, with snipers firing at the sides of the city.

Northern Beirut, where fighting has been the most intense, has been the scene of a series of attacks and counterattacks between the two sides.

The fighting has been the most intense in the last week, with snipers firing at the sides of the city.

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Political and Militia Leaders Seek Permanent Cease-Fire in Tripoli

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allies will accept the plan is uncertain. They have been insisting on the withdrawal of all Syrian forces from Tripoli and their replacement by units of the Lebanese Army.

Syrian troops are stationed in Tripoli as part of the Arab peace-keeping force sent to Lebanon in 1976, at the time of the country's civil war. There are also 3,500 Lebanese Army troops based in the city, but they have not left their positions since the outbreak of the latest round of fighting here in late November.

On Wednesday, Mr. Karame rejected Mr. Mulad's demand for the withdrawal of Syrian forces. On Thursday, the leader of another pro-Syrian faction, Nasir Khazri, said the Lebanese Army could not be deployed until the government reached an agreement with Syria on the withdrawal of all Syrian troops from the country.

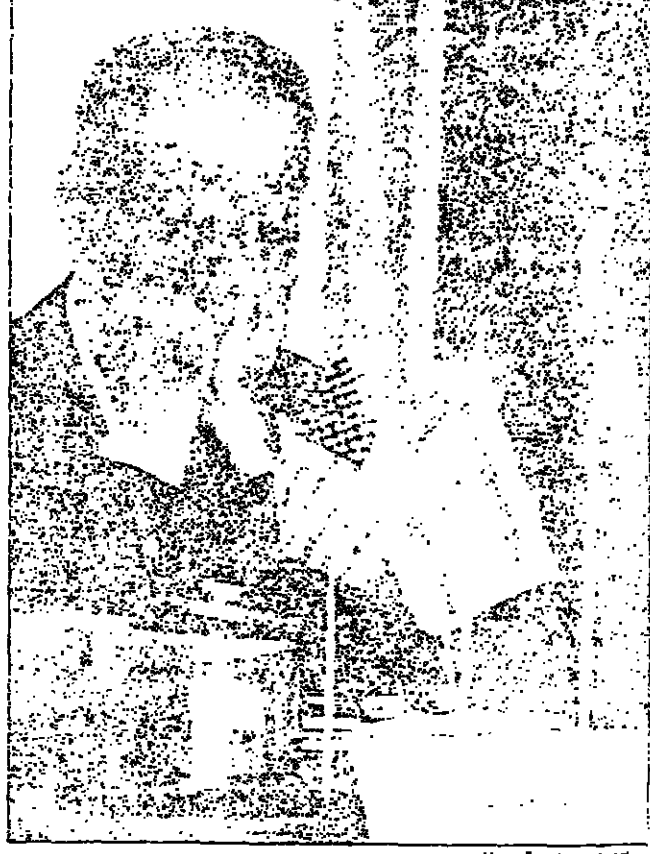
Thus, it appeared there was still no basic agreement between the two sides about how to bring an end to the conflict, which has now taken more than 150 lives and wounded scores of people.

Sweep by Lebanese Army
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FEELING THE STRAIN — Antoine Fattal, Lebanon's chief negotiator, resting

Navon Says Worsening Of Egypt-Israel Ties Will Hurt Peace Plans

By Judith Miller
New York Times Service

WASHINGTON — President Yitzhak Navon of Israel has told the Reagan administration that unless the deterioration in Israeli-Egyptian relations is halted it will be difficult for Israel to support President Ronald Reagan's peace initiative or other proposals intended to end the Arab-Israeli conflict.

In his meetings with U.S. leaders and in an interview Tuesday night, Mr. Navon said that because Israel's peace treaty with Egypt was a model for future treaties, "I'm worried about the outcome of other initiatives."

The Israeli president, a Labor Party member who holds what has traditionally been a ceremonial post, arrived Tuesday for an 11-day visit. The trip is regarded as delicate by both the Israeli and U.S. governments because Mr. Navon has emerged as a potential challenger to Prime Minister Menachem Begin.

Mr. Navon said in the interview that he had already decided what he would do when his term expires in May, but he said he would not announce his intentions until February.

Mr. Navon met Tuesday with Secretary of State George P. Shultz and Wednesday with Mr. Reagan.

A senior U.S. official said the two presidents had a "very friendly exchange of views" and touched on many Middle Eastern and other international issues. But, the official said, Mr. Navon restricted his remarks to policy issues about which there was a consensus in Israel.

The official, who spoke on condition that he not be identified, said it was "being interpreted here" that President Navon was behaving impeccably.

Administration officials, seeking to avoid the impression that the United States was meddling in Israeli politics, have repeatedly stressed that the discussion of substantive policy issues would be reserved for Mr. Begin's trip here in February.

Mr. Navon also said in his interview that the world did not fully appreciate the sacrifices that Israel had made to obtain peace with Egypt.

He said Israel had been stunned by the harshness of what he said were attacks in the Egyptian press on Israel and Judaism after the war in Lebanon. Israel, he continued, requires "tangible expressions of peace."

"If this is the result — a cold peace, almost a frozen peace — this is not what people had in mind when they made all of those sacrifices," Mr. Navon said. "If America is thinking of other initiatives, of bringing others, like King Hussein, to the negotiating table, I'm afraid this situation does not arouse the appetite to sit at the table."

Mr. Navon insisted on restricting his remarks to issues on which there was a consensus in Israel. He would not discuss, for example, Israel's continued occupation

of the West Bank and the Gaza Strip, the merits of Mr. Reagan's peace initiative, which calls for autonomy for Palestinians in the West Bank and Gaza in association with Jordan, or other topics that have caused disagreement within Israel and between Israel and the United States.

Israeli and U.S. officials said Wednesday that Mr. Navon had discussed with Mr. Reagan, among other topics, Israel's insistence on an undivided Jerusalem, its opposition to the creation of an independent Palestinian state and its desire for good relations with the United States.

They said Mr. Reagan had affirmed the need for prompt withdrawal of all forces from Lebanon and for further progress on securing peace in the region. Mr. Reagan, a U.S. official said, reiterated his position that expansion of Israeli settlements in the occupied territories was "not helpful" to peace moves.

Appeal for Coexistence
Mr. Navon said Thursday that the United States should encourage President Amin Gemayel of Lebanon to resist Arab pressures and agree to peaceful coexistence with Israel, Reuters reported.

"I wish the United States would encourage him to the extent they find feasible," he said in a televised interview. Mr. Navon said that elements in the Arab world were opposing normalized relations between Israel and Lebanon.

Israel, Lebanon Weigh 'New Ideas' In 4th Round of Talks on Agenda

The Associated Press

KIRYAT SHEMONA, Israel — Israel and Lebanon, in their fourth round of negotiations, discussed "new ideas" Thursday on how to reach agreement on an agenda for solving the Lebanon crisis, an official statement said.

The delegates planned to report to their governments and resume talks as scheduled Monday in the Beirut suburb of Khaleel, according to a statement read by an Israeli spokesman.

The talks were held "in a friendly and constructive atmosphere," the statement said, and "new ideas were raised on how to reach an agreed agenda." The ideas were not disclosed.

Lebanon and Israel are still divided over the agenda issue despite U.S. mediation efforts.

Israel wants to start with discussions of the future normalization of relations with Lebanon, while Lebanon wants to discuss first the withdrawal of the estimated 60,000 Syrian, Palestinian and Israeli troops.

The Israeli, Lebanese and U.S. delegations convened around a cir-



Nandamuri T. Rama Rao, a movie star, campaigned successfully against Mrs. Gandhi in Andhra Pradesh.

cular table without the ceremony that marked the start of talks in this Israeli border town a week ago.

Antoine Fattal, Lebanon's chief delegate, said before the session began he had received no new instructions from his government.

Diplomatic sources, who insisted on anonymity, said the chief U.S. envoy, Morris Draper, proposed Wednesday that Israel and Lebanon sidestep the agenda dispute by exchanging letters in which each would declare its position. They said Lebanon agreed in principle, but the Israelis rejected the idea.

Lebanon apparently fears that if it is perceived as concentrating on normalization of relations at the expense of Israel's withdrawal from its territory it would alienate other Arab states.

Mr. Draper said, as he has many times before, that he was optimistic about the talks producing results.

But Israeli officials discouraged hope for a breakthrough and said it was possible the negotiations would mark time until the arrival of President Ronald Reagan's special envoy, Philip C. Habib, in about a week.

The U.S. sources said the SAM-5 missiles, with a range of 150 to 190 miles (240 to 304 kilometers), could threaten Israeli warplanes flying over Israel's own airspace.

Gandhi's Party Seems Headed for Defeat in 2 Former Strongholds

By William Claiborne
Washington Post Service

NEW DELHI — Prime Minister Indira Gandhi's Congress-I Party appeared headed toward defeat Thursday in two former strongholds in southern India.

The balloting Wednesday was nominally for state assembly seats in Andhra Pradesh and Karnataka. But upsets of Congress-I (I stands for Indira) candidates in both states suggested that Mrs. Gandhi was losing her grip on a vast region of India.

A chain reaction in other states before the national elections two years from now could jeopardize her control of Indian politics.

With most of returns announced in the southwestern state of Karnataka, opposition candidates had won 126 of the 224 assembly seats, while Congress-I candidates won 73.

In the prime minister's home constituency of Andhra Pradesh, the new Telugu Desam Party was leading 4-1, and the Congress-I candidate in Mrs. Gandhi's own parliamentary district was beaten.

The founder of the Telugu Desam Party in Andhra Pradesh, Nandamuri T. Rama Rao, a 60-year-old movie idol who appealed to strong regional feelings in the dominant Telugu language, rolled over Congress-I candidates in two assembly districts in the state.

Mr. Rama Rao, who will almost certainly become chief minister, or governor, of the state, attributed his victory to the "unpopularity, ineptness and corruption" of the Congress-I government in the state.

With 160 of 293 districts counted in Andhra Pradesh, the main opposition had won 106 seats while Congress-I had won 39. Other parties defeated Congress-I candidates in 15 districts.

Mrs. Gandhi's party also

appeared headed toward defeat in the small, far northeastern state of Tripura, which has been controlled by a leftist alliance headed by the Communist Party of India (Marxist). A Congress-I alliance with a regional party was trailing in Tripura 3-1.

Northern Indian states have dominated politics here, and Congress-I strategists had gradually become convinced that there could be no startling shifts in the south.

However, the party's image has deteriorated there in the last two years, partly because of widening restiveness over scandals and administrative bungling, but also because of the heavy-handed control of state politics by the leadership in New Delhi.

Arrests Reported in Assam
The New York Times reported from New Delhi:

The police, in the northwestern state of Assam arrested about 20 student leaders of an anti-immigrant movement that has defied Mrs. Gandhi's government for three years, sources in Gauhati, the state capital reported. The arrests were made in sweeps of university hostels Thursday.

The crackdown occurred after the collapse of negotiations in New Delhi between student representatives and government officials on student demands for the deportation of millions of immigrants, mostly from Bangladesh.

It apparently indicated a toughening in the official attitude to the movement although the agitation's leaders have not yet been arrested.

The arrests coincided with an announcement that elections for the 126 seats of the state legislature, dissolved in 1981 after political instability caused by the movement, would be held next month.

3 Are Indicted in U.S. In Soviet Export Deal

By B. Drummond Ayres Jr.
New York Times Service

WASHINGTON — A Canadian and two U.S. businessmen, one of them a former employee of the Central Intelligence Agency, were indicted Tuesday by a federal grand jury on charges of attempting to circumvent U.S. export restrictions by shipping machines to the Soviet Union that could be used to make military tanks.

The three businessmen, who Customs Service officials said unwittingly dealt with federal undercover agents and a phony company while planning their deal, were arrested earlier this week in a Virginia suburb of Washington before the shipment could take place.

In the last year or so, government authorities have mounted a major campaign to halt the flow of critical technology and materials to Soviet bloc countries.

The three indicted men were identified as Gerald F. McCall of Toronto, Stephen G. Carter of Chicago and Paul Sakwa of Washington. According to the indictment, they intended to use false documents to trick U.S. export officials into thinking the machines were going to France instead of the Soviet Union.

The three were freed after posting bonds ranging from \$10,000 to \$15,000. If convicted on all charges, the two Americans could be sentenced to up to 55 years in prison and the Canadian could be sentenced to up to 45. None of the three could be reached for comment.

Mr. Sakwa reportedly worked as a covert operative for the CIA during the 1950s and early 1960s, with one assignment in Vietnam, but federal authorities said there was no indication of any tie between his work then and the case.

The indictment, handed up by a federal grand jury sitting in Alexandria, Virginia, asserts that the three men, doing business as Perimeter Sales and Marketing Inc., made "contact" with the Soviet Union as they attempted to set up their export scheme.

William C. Von Raab, the commissioner of U.S. Customs, said Wednesday morning in disclosing the indictment that "the Soviets do not leave fingerprints and so it's not surprising at this point not to have any hard evidence that the Soviets were involved." A spokesman at the Soviet Embassy in Washington said there would be no comment on the case.

The arrest was part of Operation Evodus, a Customs Service enforcement program to protect national security by intercepting forbidden exports of high-technology devices and militarily useful equipment to Eastern-bloc countries. Such exports have become increasingly sensitive as the atmosphere of détente that once encouraged East-West trade has waned.

During 1982, according to Customs Service records, there were about 50 incidents in which shipment of restricted materials, including aircraft and space satellite parts, electronic test devices and computers, were headed off or seized. The value of the shipments was put at \$55 million.

According to customs officials, the three indicted men had obtained an option to buy the equipment, telling company officials that it would be shipped to Western Europe. The customs officials added that the three planned to obtain phony documents that would indicate the machines were going to France when, in fact, they would only pass through France.

But in obtaining the phony documents, the officials continued, the three dealt with undercover U.S. agents, who had been tipped to the deal and had set up a phony firm, called Arinfi, to offer to provide false documents.

Summit Called Possible
Lou Cannon of The Washington Post reported earlier from Washington:

At his news conference on Wednesday night, President Reagan said he agrees "in principle" that a summit meeting with the Soviet leader, Yuri V. Andropov, would be desirable, but only if it became clear that anything could be accomplished by such talks.

Mr. Reagan said that, once adequate planning for a meeting with Mr. Andropov had taken place, "I would welcome a summit just as I welcomed his suggestion about continuing the talks on the reduction of arms."

Despite the conciliatory tone of President Reagan's remarks, White House officials emphasized after the news conference that the president's basic suspicion of Soviet intentions remained unchanged and that he will still require "tangible evidence" of Soviet sincerity before he would participate in a summit.

These officials confirmed that Mr. Reagan responded, "So what?" when he was first told of Mr. Andropov's suggestion for a summit meeting. They said Mr. Reagan viewed the Soviet leader's vaguely worded offer as a public relations gesture and that he was responding in kind Wednesday night.

WORLD BRIEFS

Salvadoran Troops Attack F

SAN SALVADOR (UPI) — Salvadoran soldiers have guerrilla camps in a mountainous area of San Vicente.

Residents in the region around the towns of Santa Teague, about 40 miles (64 kilometers) east of San S. built A-37 jets dropped bombs on the area through. About 300 troops were fighting 500 insurgents on the reports.

National Guard officers said there was fighting Wednesday north of the Pan American Highway, where the often burn trucks, set up barricades and extract so-called motorists. Casualty figures were not immediately available.

Vietnamese and Cambodian

BANGKOK (UPI) — Vietnamese forces battled Cambodian along a 25-mile (40-kilometer) stretch of the Thai-Cambodia border, reports from the area said.

Reports from the border region, 120 miles east of Bangkok, said that shelling attacks continued on a border where 74 civilians were injured Wednesday.

A guerrilla spokesman said that forces loyal to the Son San forces had killed many Vietnamese in the two days of fighting. No specific casualty figures were given.

New Defense Aide Named in U.S.

LONDON (Reuters) — Prime Minister Margaret Thatcher has promoted Environment Minister Michael Heseltine to the post of defense minister, a spokesman for the prime minister's office announced Thursday night.

Mr. Heseltine, 49, takes over from John Nott, who was the minister responsible for the armed forces during last year's Falklands war with Argentina. Mr. Nott announced in August that he would be leaving politics to return to private business. The government spokesman said he was being awarded a knighthood.

The shuffle in Mrs. Thatcher's Conservative Party cabinet elevated one of Mr. Heseltine's aides, Tom King, 49, to be the new environment secretary. The changes had been widely predicted.

No Pope-Glomp Rift, Paper Says
WARSAW (UPI) — The official Polish media said Thursday that Archbishop Jozef Glomp's elevation to cardinal, announced Wednesday, proves there is no rift between him and Pope John Paul II, as some critics have asserted.

Critics have said he has been too conciliatory toward the Polish government in an effort to ensure that John Paul's planned visit to Poland in June takes place.

The government newspaper Zycie Warszawy attacked "extremist groupings" in Poland for "deplorable efforts to undermine the prestige of Poland's primate." The paper said that the primate's elevation to cardinal "authoritatively and effectively rebuffed" all "allusions" of differences on "the present stance of the Polish church in relation to the country's problems."

Russian Denies Satellite Report
MOSCOW (Reuters) — A senior space official denied Thursday U.S. reports that a Soviet satellite is out of control and likely to crash later this month.

Vladimir Kotelnikov, a member of the Soviet Academy of Sciences, said the Cosmos-1402 was working normally and was safe. "We are at present carrying out scheduled operations with this satellite," he said at a news conference in Moscow. "It is in a safe situation and we do not have any worries about the fate of this satellite."

The U.S. Defense Department said Wednesday that the satellite, which carries nuclear-powered radar, had dropped out of orbit and was expected to crash. U.S. officials said it was a spy satellite used to observe shipping movements.

Arafat Urges Steps Against U.K.

KUWAIT (Reuters) — Yasser Arafat, the chairman of the Palestine Liberation Organization, has called for firm action against Britain because of the refusal of British officials to receive an Arab League mission that included a PLO representative.

"Britain has a bad attitude toward the Arab nation and must be dealt with firmly," Mr. Arafat said at a meeting of Palestinian organizations Wednesday. He did not say what action he had in mind.

The British foreign secretary, Francis Pym, was forced to call off a visit to Saudi Arabia, Qatar and the United Arab Emirates after officials refused to meet him.

For the Record

ROSTREVO, Northern Ireland (AP) — Gunmen fired automatic weapons at an unmarked patrol car Thursday, killing two policemen and wounding a third, the police said. No group claimed responsibility for the attack, but the police blamed the outlawed Provisional Irish Republican Army or its Marxist offshoot, the Irish National Liberation Army.

TEL AVIV (Reuters) — Israel is setting up a space agency, the Ministry of Science and Development said Thursday. Officials said that one of the agency's first objectives would be to launch a communications satellite in cooperation with another country.

WASHINGTON (UPI) — President Ronald Reagan signed legislation Thursday that will increase the tax on gasoline by 5 cents a gallon, provide \$5.5 billion a year to repair roads and bridges and create as many as 320,000 jobs. The gasoline tax is currently 4 cents.

Nakasone Proposes Steps For Better Ties With U.S.

(Continued from Page 1)
failed to impress U.S. trade officials.

Asked why Japan continues to be singled out for criticism of its trade policies, Mr. Nakasone said, "It's because our growth and economic expansion has been very fast, too fast, and — because of the high unemployment situation in the United States and Europe — people feel uneasy about our expansion."

Mr. Nakasone also emphasized the need to strengthen relations with the United States and South Korea. He said Japan would step up efforts to help stabilize South Korea, by extending nonmilitary economic aid for Seoul's development programs. Mr. Nakasone is expected to reach an agreement with President Chun Doo Hwan on a \$4-billion aid package, in talks next week in Seoul.

In regard to his cabinet's endorsement last week of a 6.5-percent increase in military spending for 1983, Mr. Nakasone said the figure, which fell below the expectations of Reagan administration officials, did not include raises for military personnel.

Mr. Nakasone also said he looked for the further strengthening of ties among Japan, the United States, and China. He added, however, that "does not mean any suggestion of confrontation vis-à-vis the Soviet Union by these three nations banding together."

Record Argentina Harvest
The Associated Press
BUENOS AIRES — The 1982-83 Argentine wheat harvest will total 14.5 million tons and will be the best harvest in Argentine history, the Secretary of Agriculture said Wednesday.

Politics and the Pope's Shooting

Italy Views Socialist's Attack on Bulgaria Cautiously

By Sari Gilbert
Washington Post Service

ROME — The impact of an Italian cabinet minister's accusations that Bulgaria was involved in the attempt to assassinate Pope John Paul II has been significantly tempered here by the conviction that his charges were at least partly related to domestic Italian politics.

Last month, Defense Minister Lelio Lagorio, a Socialist, described the May 1981 attack on the pope as "a true act of war in a time of peace" and as "a precautionary and alternative solution" to a Soviet invasion of Poland.

Mehmet Ali Agca, a 24-year-old Turk, was convicted in the assassination attempt and is serving a life term in an Italian prison.

Mr. Lagorio's position on the purported "Bulgarian connection" to the shooting, and the alleged Soviet interest in encouraging it, was far stronger than that of any of the three Christian Democratic ministers who also spoke before parliament on the subject.

His speech made headlines in much of the Western world. Neither Italian magistrates nor the

government has made public specific details of the evidence against three Bulgarians later implicated by Mr. Agca, and Mr. Lagorio's hard-hitting speech was taken in some quarters as suggesting that the government as a whole was convinced of a Soviet plot in the case.

However, many Italian and foreign observers tend to view Mr. Lagorio's statements with caution. While acknowledging that his accusations may prove to be correct once all the evidence is made public, politicians from other parties, as well as government officials, have pointed out that he failed to support his harshest accusations with substantial proof.

They have described his comments, which also touched on alleged Bulgarian involvement in Italian terrorism and in arms and narcotics smuggling, as "hasty" and "irresponsible."

The observers say that Mr. Lagorio's outspoken statements must be viewed in the context of the Socialist Party's vigorous competition with both the Italian Communists and, even more, with the Christian

Democrats, the Socialists' coalition partners and major political rivals.

"It's not unreasonable to assume that the Socialists would see an advantage in making political hay out of this issue," said a Western diplomat who follows the party closely.

The diplomat said that by "pointing the finger at the Soviets," the Socialists could embarrass the more powerful Communists, with whom they compete for some votes, and also demonstrate their dynamism and reliability to more conservative voters who in the past have supported the dominant Christian Democrats.

"By defending the pope, the Socialists also appear to be going after the support of left-wing Catholics," said a Foreign Ministry official who said that his name need not be used.

The Socialists, bolstered by electoral successes of fellow Socialists in France, Spain and Greece, are currently making a major bid to attract voters. Both the diplomat and the Foreign Ministry official pointed out that in recent months the Socialists have increasingly sought to use foreign policy issues to enhance their image as a dynamic, independent and thoroughly pro-Western party.

Since Mr. Lagorio's speech, Foreign Ministry officials emphasized that Italian foreign policy is officially enunciated by Foreign Minister Emilio Colombo, a Christian Democrat, who has consistently treated the Bulgarian question with caution.



Lelio Lagorio

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Reagan Keeps Options Open on Deficit

Refuses to Rule Out Tax Increase or Spreading Out of Military Buildup

By David Hoffman

Washington Post Service

WASHINGTON — President Ronald Reagan has refused to rule out entirely either tax increases or a spreading out of his defense buildup to reduce projected deficits over the next few years, saying, "I will look at everything."

In a nationally televised news conference Wednesday night, Mr. Reagan left himself the greatest possible room to maneuver on reducing the deficits as he goes into the final round of decisions this week and next on the fiscal 1984 budget he will submit to Congress later this month.

Mr. Reagan said no decisions have been made on the budget. He defended his military buildup, but at the same time indicated he might be willing to spread it out, as some leading members of Congress have urged, as long as that did not interfere with military production or jeopardize national security.

He has been urged by cabinet members and leading Republican senators to consider a tax increase to help bring down deficits, but he said Wednesday night that "a tax is the wrong thing to do when you're trying to come out of a recession."

But when asked about a possible acceleration of Social Security tax increases scheduled to take effect in 1984, 1986 and 1990 — a possibility that is under discussion to shore up the benefit system — Mr. Reagan did not flatly rule it out.

"There is a limit with regard to how far you can go on the tax, and the limit is caused by the fact that a big proportion of our working people today are paying a greater tax in Social Security than they are in income tax," Mr. Reagan said. Still, he added, "We will look at that."

He refused, however, to inject himself into the final deliberations of the bipartisan commission he named to make recommendations on Social Security after his pro-

posed cuts were defeated in Congress last year.

The commission has been deadlocked and must make its report by Jan. 15. Five leading members of the commission met privately Wednesday with James A. Baker 3d, the White House chief of staff, to resolve their differences.

In general, the Democrats want to rely more on tax increases to shore up the Social Security system; Republicans want to rely more on cuts. They were said to be "closer" to a compromise than before.

Mr. Reagan opened the news conference by saying that he was looking forward to working with Congress on budget issues, but in response to a question, he jabbed at House Speaker Thomas P. O'Neill Jr., a Massachusetts Democrat, on the subject of spending cuts.

Mr. Reagan said he had heard Mr. O'Neill say on television that

the president would have difficulty moving an anticipated \$30 billion in domestic budget cuts through Congress for fiscal 1984.

"And I thought to myself, I assume that from now on he will have nothing to say about us being responsible for the deficit, since he has made it plain that he will refuse to approve any reductions in spending," Mr. Reagan said.

"Now, you've got a deficit; you want to cut it down; obviously you've got to spend less, and I hope that he'll rethink his position on that."

Mr. Reagan noted the growth in deficit projections he has received. On Monday, his economic advisers told him that, without offsetting actions, the 1984 budget deficit would be more than \$215 billion and would reach about \$280 billion by 1988.

His economic advisers have expressed concern that, without fundamental changes in policy, Mr. Reagan will be unable to bring down the deficits that threaten to prevent an economic recovery. In his news conference the president expressed concern that the deficits "not become a roadblock on the path to long-term economic recovery," but offered no specifics on how he would get them under control.

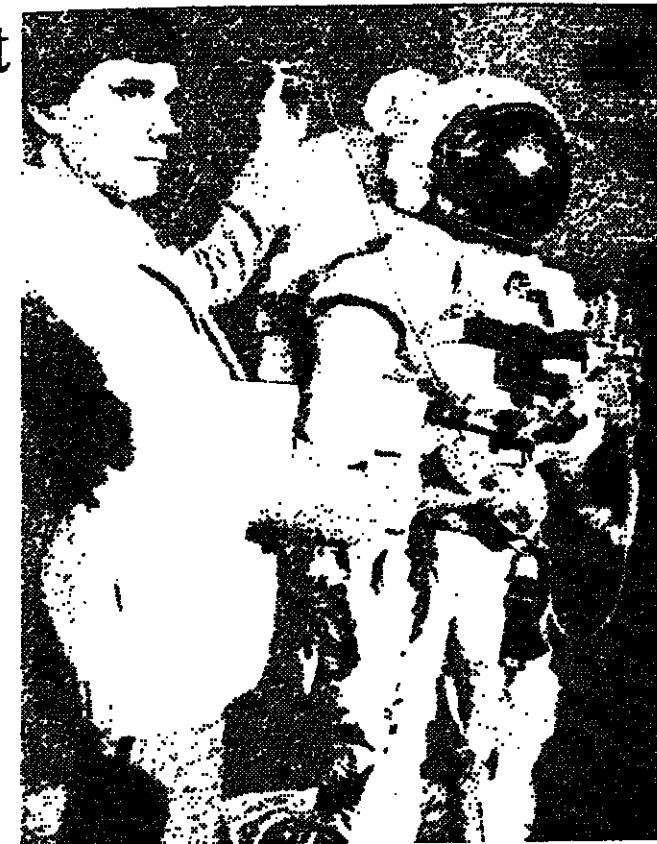
His comment, repeated several times, that "I will look at everything," appeared to be a signal to restive Republicans on Capitol Hill that he has not ruled out modifications in his expensive Pentagon buildup.

Asked whether he would accept some method of spreading out the administration's plan to add \$116 billion over five years to the military budget, Mr. Reagan appeared receptive to the idea if it did not interfere with his national security goals.

The president said, as he has before, that he has already compromised with Congress by forgoing \$41 billion in military outlays envisioned in his original military budget goals, but he also said he would not hesitate to cut further if that was recommended by a group of private businessmen looking for management savings in the military.

"So if it can be cut, it will be cut," he said, but not at the expense of the national security.

Mr. Reagan maintained that about half the deficits he faces are caused by the recession and that about half are "structural," built in by past legislation.



Bob Adams, an engineer at the Johnson Space Center in Houston, shows a 50-foot tether that two astronauts will use during a space walk.

U.S. Astronauts Seek Secrecy About Health

By Lee Dembart

Los Angeles Times Service

HOUSTON — A debate is going on within the National Aeronautics and Space Administration about what the public should be told about the medical conditions of astronauts in flight.

As they have in the past, some of the more than 70 astronauts are contending that information about their health is private and that the public should not learn, for example, that they have experienced motion sickness and vomited in space.

"I think that is between me and my doctor and it is nobody else's business," said Paul J. Weitz, commander of the next space shuttle flight, now scheduled for launching late this month.

His statement is in conflict with one of the tenets of America's civilian space program: Everything is done in the open, from liftoff to touchdown.

Whether the space agency is inclined to alter the policy with regard to medical information is not clear. A new policy statement was supposed to have been released in Houston on Tuesday, but the announcement was canceled at the last minute.

NASA officials now say they do not expect the new policy to differ much from the old policy.

The debate has been fueled by the fact that 50 percent of the astronauts who fly in the shuttle suffer motion sickness, which NASA now calls "space adaptation syndrome." Those who know the astronauts say they are unhappy with the public discussion because motion sickness is not in keeping with a macho image.

The sensitivity to the release of medical information is not limited to the space sickness problem.

Since the earliest days of manned space flights, NASA has routinely announced each astronaut's pulse rate at launch. After the first shuttle flight in 1981, however, one of the astronauts complained to agency officials that release of pulse rates violated the Federal Privacy Act.

The officials finally told him that when you are an astronaut sitting on top of a rocket that was paid for by the public and going on a mission in which there is wide public interest, you are no longer a private citizen.

When in space, the astronauts have private medical conferences with doctors on the ground, and pertinent information is summarized for public release. Details are kept private.

With regard to the space sickness problem, NASA had considered announcing only that one of the astronauts was sick without saying which one.

But, on reflection, officials realized that such a plan was unworkable. Everybody on the ground would be looking at the television pictures from space trying to figure out which one it was.



Elizabeth Dole Is Named to Head U.S. Transportation Department

By Lou Cannon

Washington Post Service

WASHINGTON — President Ronald Reagan has announced that he will nominate Elizabeth Hanford Dole, a member of his White House staff, to head the Department of Transportation.

If the nomination is accepted by Congress, she would succeed Drew L. Lewis, who resigned last week to become chief executive officer of Warner Amex Cable Communications.

The president praised Mrs. Dole, who stood at his side at a news conference Wednesday night, saying she "has been performing magnificently as my assistant for public liaison at the White House."

Faith Ryan Whitteley, a long-time political activist for Mr. Reagan and now the ambassador to Switzerland, will replace Mrs. Dole at the White House, he said.

Mrs. Dole, 46, would be the second woman in Mr. Reagan's cabinet, joining Ambassador Jeane J. Kirkpatrick, the U.S. representative to the United Nations, and the first to head a department.

Mr. Reagan has long been urged to name more women to his cabinet.

net. The demand came originally from women's organizations and has been supported by White House aides and Republican officials eager to improve the president's standing with women voters.

Asked whether he had become "pragmatic" and would now support the Equal Rights Amendment, Mr. Reagan replied, "what we have been doing has far more meat to it than the ERA."

Mrs. Dole, a former member of the Federal Trade Commission and the wife of Senator Robert J. Dole, Republican of Kansas, brings the assets of Washington experience and virtual certainty of Senate confirmation to the job.

Although considered effective at the FTC, Mrs. Dole has not been notably influential within the White House. Supporters said this was because she has not been given the opportunity to show what she can do in that largely male environment.

She will have this chance in the Transportation Department, where complex pieces of new legislation need a skilled administrative hand and where many of the ranking subordinates are regarded as less

than first-rate by the transportation industry.

Mr. Lewis left a legacy of adequate funding for highways, airports and development of the air traffic control system. His successor faces difficult issues of deregulation and the problem of rebuilding an air-traffic control system damaged in air controller strikes.

Mrs. Dole grew up in North Carolina and majored in political science at Duke University. She graduated from Harvard Law School as a Phi Beta Kappa.

During the Nixon administration, she worked for Virginia H. Knauer, the president's assistant for consumer affairs. In 1973 she was named to a seven-year FTC term.

In December 1975, she married Senator Dole, who had been divorced. When he became Republican vice presidential candidate less than a year later, she resigned from the FTC to avoid any appearance of conflict of interest.

She earned praise from Republicans for appearances in the campaign, and she acted on occasion as a stand-in for her husband when he was a presidential candidate in 1980.

Asked whether he would accept some method of spreading out the administration's plan to add \$116 billion over five years to the military budget, Mr. Reagan appeared receptive to the idea if it did not interfere with his national security goals.

The president said, as he has before, that he has already compromised with Congress by forgoing \$41 billion in military outlays envisioned in his original military budget goals, but he also said he would not hesitate to cut further if that was recommended by a group of private businessmen looking for management savings in the military.

"So if it can be cut, it will be cut," he said, but not at the expense of the national security.

Mr. Reagan maintained that about half the deficits he faces are caused by the recession and that about half are "structural," built in by past legislation.

Loyal Democrats Given Party Posts in House

By Steven V. Roberts

New York Times Service

WASHINGTON — House Democrats have finished filling most of their committee slots for the new Congress, and their effort sent a shot across the bow of Southern conservatives who supported much of President Ronald Reagan's economic program in the last Congress.

While the decision to eject Representative Phil Gramm of Texas from the Budget Committee captured the headlines and led to Mr. Gramm's resignation Wednesday from the party and from the House, Democratic leaders consistently favored lawmakers with a proven record of loyalty to the leadership.

Asked whether these decisions were a signal to Southern conservatives, known informally as "boll weevils," Representative Gillis W. Long of Louisiana said, "I don't think it was meant to be that, but it necessarily had that effect."

Mr. Long is chairman of the Democratic caucus, which met Thursday to ratify decisions made by the Steering and Policy Committee, the panel of two dozen House Democrats that makes tentative committee assignments.

In addition, 53 House Democrats voted to oust Representative G.V. (Sonny) Montgomery of Mississippi from his post as chairman of the Veterans Committee, Mr. Montgomery, one of President Reagan's strongest Democratic supporters, easily retained his job with 179 votes, but he interpreted the tally as another message to the "boll weevils."

The political world has changed significantly since the Southern conservatives joined with a disciplined band of Republicans to dominate the House for most of the last Congress and push through Mr. Reagan's economic program. Rising public unhappiness with that program sent 36 new Democrats to the House in the November election and broke the grip of the old coalition.

The committee assignments largely reflect this new reality. For instance, Representative John Breaux of Louisiana, a leading "boll weevil," made a bid for Mr. Gramm's seat on the Budget Committee but was defeated by Representative Martin Frost of Texas, who has close ties to the party leadership.

Two of the top vote-getters in the race for eight Democratic seats on the Budget Committee were Representative George Miller of California and Howard E. Wolpe of Michigan, both outspoken liberals. With the departure of Mr. Gramm from the Democratic ranks, not one active "boll weevil" remains on the Budget Committee.

Similarly, Representative Doug Barnard Jr. of Georgia, another conservative, failed in his try for a seat on the Appropriations Committee that usually goes to a Southerner. The winner was Representative William H. Borer of Tennessee, who has a stronger record of supporting the leadership.

A Southern conservative who

U.S. Slackens Prosecution in Housing Bias

By Howard Kurtz

Washington Post Service

WASHINGTON — The Reagan administration, in another shift in civil rights enforcement, has adopted a mainly voluntary approach toward landlords and brokers who discriminate against people looking for housing.

At the Department of Housing and Urban Development, whose authority in discrimination cases always has been limited, officials now emphasize cooperation with the real estate industry in such cases. They have created a network of housing advisory boards, but the boards are not permitted to investigate fair-housing complaints or to sue anyone for discrimination.

An even more dramatic change has occurred at the Justice Department, which has filed only two housing discrimination suits in the two years since President Ronald Reagan took office, compared with a previous average of more than 30 cases a year.

Knowledgeable officials say that lawyers at the Justice Department have been told to stop bringing the cases unless they can prove intentional discrimination, a more rigorous standard than the courts require.

Antonio Monroig, HUD's assistant secretary for fair housing, said he did not understand why the Justice Department has accepted only two of the 25 housing cases referred by HUD last year.

"I would certainly like to know their criteria for filing the suits so we don't waste our time sending a case over that's not going to be filed," he said.

In general, however, Mr. Monroig says that working with the real estate industry is the best way to eliminate the causes of discrimination.

"We are giving more emphasis to the voluntary programs, but we're not diminishing enforcement," he said. "We'll never be able to take every complaint to court. We don't have the resources, and it would be very costly. These voluntary programs try to change people's attitudes and attitudes."

But critics are skeptical.

"The effectiveness of HUD's fair-housing office has never been as low as it is now," said Martin E. Sloane, director of the National Committee Against Discrimination in Housing. "Morale

there is so low as to be indescribable."

The office is providing \$2 million this year, nearly half its grant money, to finance 30 community housing boards that are supposed to bring real estate industry officials and fair-housing advocates together "to discuss their mutual problems."

Last fall, at a conference of board officials, Samuel R. Pierce Jr., secretary of housing and urban development, praised real estate agents for signing a new voluntary agreement to obey the fair-housing laws. In many of their communities, however, the agents' names remain a secret. The National Association of Realtors is afraid that agents who signed the agreement would be singled out for "testing" by civil rights groups, so HUD has promised not to reveal their names.

"It's a disgrace," Mr. Sloane said. "How can they take leadership in furthering fair housing if you don't know who they are and can't find out?"

Mr. Sloane and others say the boards are useless because they are prohibited from sending people to test whether landlords and brokers are discriminating.

A recent study by the Washington Council of Lawyers, a nonprofit legal group, said that the Justice Department's fair-housing effort "has deteriorated dramatically" and that the administration has "retreated from almost 15 years of vigorous commitment to fair housing."

The study criticized William Bradford Reynolds, assistant attorney general for civil rights, for no longer filing suits against those whose actions had the "effect" of discriminating.

"The lawyers have been ordered not to bring cases unless they can prove intent to discriminate," said Robert Reinstein, the division's litigation chief under the Carter administration. "I think it's pretty clear they're opposed to bringing the big cases. Many of the attorneys there have a sense of utility."

The Civil Rights Division, in a recent rebuttal, described its record as "most impressive." The division said that 59 housing cases are now under investigation, eight have been settled by consent decree and five are being prepared for trial. It said that challenging only the "effects" of discrimination "would play havoc" with legitimate zoning laws.

Reagan Urged to Veto Crime Bill That Creates New Anti-Drug Post

By Leslie Maitland

New York Times Service

WASHINGTON — The Justice Department is recommending that President Ronald Reagan not sign a crime bill that was passed in the special session of Congress last month.

Senior Justice Department officials said their objection to the bill centered on its creation of a cabinet-level office to direct and coordinate enforcement efforts against narcotics trafficking.

The official, to be called director of national and international drug operations and policy, would be appointed by the president, with confirmation by the Senate. The

official would have authority over other cabinet officers, including the attorney general, in developing and carrying out plans for enforcement of drug laws.

Justice Department officials have made no secret of their opposition to that provision since the measure was passed Dec. 20. But they have refused to discuss what they would advise the White House on the legislation.

The officials said they were reluctant to discuss the issue because Attorney General William French Smith believed that his advice to Mr. Reagan constituted a confidential communication between a lawyer and client.

However, other officials acknowledged privately that they were trying to avoid disclosing their position to proponents of the bill on Capitol Hill in the hope of limiting pressure on Mr. Reagan.

"We don't want to stir things up so the proponents get together and push the White House to sign it," an official said.

Senate aides involved in negotiations over the bill said Tuesday that its most active proponent, Senator Joseph R. Biden Jr. of Delaware, the ranking Democrat on the Judiciary Committee, had indicated he would not object if Mr. Reagan selected Mr. Smith to fill the post while keeping his current one. This compromise has not diminished Justice Department criticism.

The Justice Department supports the section of the bill that provides stiffer penalties for convicted drug traffickers and makes it easier for the government to seize their property and assets.

Other key provisions would establish federal prosecution and stiff penalties for repeat offenders in certain crimes where a gun is used; make it a felony to tamper with drugs, food or cosmetics; and create a grant of \$130 million to aid established state law-enforcement projects.

The president has until Jan. 14 to decide whether to sign the bill, after which it would be automatically vetoed.

Fugitive's Wife Gives Up in U.S. In Arms Sale Case

New York Times Service

NEW YORK — Marilyn Terpil, 43, the wife of Frank E. Terpil, a fugitive former agent of the Central Intelligence Agency, has surrendered in New York in a case involving illegal arms sales to Uganda.

Mrs. Terpil is not accused of selling weapons, but of conspiring with her husband to use false documents to obtain a U.S. passport for a former Iranian official as part of a conspiracy in the arms deal. She surrendered to customs agents Tuesday night after flying to New York from London, a federal prosecutor said.

Her husband was last seen in Beirut, according to Raymond A. Levites, the prosecutor. Mr. Levites said that another defendant in the case, George Gregory Korkala, was being held in Madrid, awaiting extradition to the United States.

Mr. Terpil was associated with Edwin P. Wilson, another former CIA agent, who was sentenced last month to 15 years in prison for illegally shipping weapons to Libya.

Mrs. Terpil was released Wednesday on a \$50,000 personal recognizance bond.

Fog Covers Much of Italy

MILAN — Heavy fog blanketed northern and central Italy for the second day Thursday, grounding aircraft, causing road accidents and effectively cutting off the region from the rest of the country.

Puerto Rican Is Named as Suspect In Bombing of New York Buildings

New York Times Service

NEW YORK — A U.S. warrant has been issued for the arrest of a man in connection with last Friday's bombings in Manhattan and in Brooklyn that seriously injured three police officers.

The suspect, Luis Rosado, 32, was described as a supporter of the FALN, a Puerto Rican guerrilla group that is suspected in the bombings. Since 1974, the group — Fuerzas Armadas de Liberación Nacional, or the Armed Forces of National Liberation — has claimed

responsibility for 110 bombings in the name of Puerto Rican independence.

Mr. Rosado was identified in a U.S. complaint Wednesday as the anonymous caller who telephoned a radio station after the first two dynamite bombs exploded, asserting: "This is the FALN. We are responsible for the bombings in New York City today." The affidavit said a convicted FALN member who had been a government witness had recognized the voice on the recording of the call.

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A Two-Sided Riddle

The Russians, as Churchill once noted, present "a riddle wrapped in a mystery inside an enigma." That is not a bad way to describe the Reagan administration's approach to the Soviet Union. They see it as a military giant, but an economic

Presidential advisers suggest that the Russians could be forced to their knees — or at least to fundamental policy changes — by a combination of Western economic pressure and military buildup. They think the combination could restore American strategic superiority while drawing the Russians, if they compete, toward the brink of bankruptcy.

That notion has now been punctured by publication of a comprehensive Central Intelligence Agency analysis of the Soviet economy from 1950 to 1980. As noted by Henry Kissinger, the just-retired chairman of the Congressional Joint Economic Committee that requested it, the study shows that "the Soviet Union, far from being on the verge of collapse, has experienced major growth, roughly equal to that of West Germany, France and Italy."

The CIA's estimates are far below those claimed in Moscow's raw statistics and significantly lower than those calculated by leading American academic scholars in the past. Yet, over 30 years, these conservative measures

show that industrial production has increased seven times, farm output has doubled and the gross national product has quadrupled. Per capita consumption, while still far below Western levels, has tripled, despite the diversion to defense of 11 to 15 percent of the GNP — twice the share in the United States.

Growth has slowed in recent years. But the state-run economy that built the potent Soviet military machine has long been much too powerful — and too independent of trade abroad and consumer desires at home — to be coerced into a shift from guns to butter by Western economic pressure.

Like Washington, Moscow has economic as well as security incentives to negotiate mutual limits to military programs. But if an unrestrained arms race resumes, the Soviet Union has the economic capacity, the consumer leeway and the political ability to compete with an American buildup.

These conclusions are not explicitly stated in the CIA report. But they are obvious between the lines, and they reflect views repeatedly given to the administration by CIA experts. There is an American riddle inside the Soviet enigma: Why has all this made no impression on the Reagan administration?

— THE NEW YORK TIMES.

The Afghans Fight On

Quick: How many years have the Russians been bombing, shooting, gassing, starving and uprooting the people of Afghanistan? The aggression has been going on so long that many people may no longer be sure. But it is now the fourth year — and the end is not in sight.

In 1982, the Russians launched what they hoped would be a final offensive. It failed, because of the bravery of the Islamic mujahidin guerrillas and — in a way even more — because of their support among the people. The guerrillas, mostly using arms taken from Soviet and Afghan Army troops, roam widely in the countryside and, though outgunned, carry the battle to Soviet strongholds in the cities. The civilian Afghan toll, meanwhile, has been high. A fifth of the whole population has been pushed into Pakistan. Yet sanctuary and new recruits remain available for the mujahidin.

It is not always appreciated how isolated the Russians are in Afghanistan. An estimated 105,000 of their troops are in the country. Only a third as many men serve in the Afghan Army; they are little trusted by their Soviet overseers, and recruits seem barely to keep up with defections. Militarily, the Afghan units may be more trouble than they are worth to the Russians.

Politically, the Russians and the Marxist regime of Babrak Karmal are isolated not only in Afghanistan but internationally as well. No

single issue has cost the Kremlin more, especially in the eyes of the world, than the war where it is accustomed to easy support — and not least on account of its odious use of chemical weapons. For a fourth time last month, a top-heavy UN General Assembly majority demanded that Russian troops withdraw in favor of a peaceful solution based on sovereignty, nonalignment and self-determination.

Is Moscow ready, finally, for such a solution? Yuri Andropov, the Russian leader, received Pakistani president Mohammad Zia ul-Haq, a firm ally of the Afghan resistance, at Leonid Brezhnev's funeral. A Pravda review subsequently seemed to acknowledge the key Pakistani requirement — not to deal with the puppet Babrak Karmal — by failing to mention his name.

The Reagan administration has taken a certain grim satisfaction in the Soviet losses in Afghanistan, but the president has also invited the new leaders in the Kremlin in effect to lay the episode off on the late Mr. Brezhnev and seek a political solution.

A United Nations emissary is to travel to the region to continue diplomatic soundings. The difficult task of bringing resistance leaders, themselves divided, into the diplomatic circle may be becoming more urgent.

And the Afghan people fight bravely on.

— THE WASHINGTON POST.

Other Opinion

The Arms Proposal

Mr. Andropov's proposal looks more like a clever ploy, aimed at dividing NATO and making a debating point, than a realistic basis for a solution. Both France and Britain regard their missiles as strategic rather than intermediate — designed as a "last-ditch" deterrent when national survival is at stake. France does not regard hers as part of NATO at all. Neither of the two countries, nor the United States itself, could accept that their missiles become a bargaining counter in American-Soviet bilateral relations. Still, the proposal is a proposal. Even if it has been made for purely propaganda purposes, this has to be demonstrated by taking it seriously, discussing its implications in the [Geneva] talks and seeking to improve on it. Mr. Andropov has succeeded in putting the ball back in the American court. The Americans have in turn to respond coherently and constructively if the battle of European public opinion is not to be lost.

— THE TIMES (London).

The Protectionist Reflex

The states of the world, rich and poor, are issuing the same scandalized cry of a lamb lost in a wolf's den: "The others are the protectionists. I'm only defending myself."

Protectionism has become something of a synonym for trickery, irresponsibility and collective madness, and is regularly condemned in official declarations. Unfortunately, in a period of crisis most nations have the same reflexive reaction: Every man (or nation) for himself. The first victim, of course, is the Third World, particularly its nascent industry. Accused of setting its prices too low, it sees a thousand insurmountable obstacles strewn in its path.

And those who shout out their willingness to help the poor countries are not always the last to "protect" themselves. It is becoming evident that the developed world will only come out of its current crisis by favoring the emergence in the Third World of advanced societies, societies capable of attaining a level of

consumption of industrial products comparable to that of the North.

Of course, to reach such a goal, the rich, industrialized countries now must learn to protect themselves ... against the protectionist temptation.

— Jeune Afrique Economie (Paris).

A Job for Mr. Andrews

Just four days before Christmas, the nation got another illustration of Ronald Reagan's personal compassion, which does daily battle with his hard-as-flint conservative ideology. The story was enough to melt the heart of any Scrooge.

Reginald Andrews, an unemployed father of eight, was returning from the latest in a string of job interviews when he saw a blind man fall between the cars of a New York subway train. Mr. Andrews jumped off the platform and pulled the man against the platform, surely saving his life.

The next day, when President Reagan read of the incident in The New York Times, he called Mr. Andrews to wish him a merry Christmas and to inquire about his knee, which was bruised during the rescue. When the president asked how the job hunting was going, Mr. Andrews said he didn't know, that he hadn't yet heard from the company he had visited just prior to the incident. Mr. Reagan asked Mr. Andrews's permission to call the firm and put in a recommendation.

And now Reginald Andrews, a decent and courageous man, has a job.

The only trouble is that there are 12 million Reginald Andrews at large in the nation today, the hapless victims of a recession brought on, in large measure, by runaway military spending, excessive tax breaks for the well-to-do and the resultant federal deficits.

As much as he might wish he could, Mr. Reagan cannot possibly find the time to call each of those jobless Americans and arrange for their employment. He could, however, pick up the phone and dial the Pentagon.

— The Keene (New Hampshire) Sentinel.

FROM OUR JAN. 7 PAGES, 75 AND 50 YEARS AGO

1908: New Way to Make Paper

NEW YORK — Scientists are deeply interested in what is believed to be a means of manufacturing paper from ground wood, which would allow the waste of mills to be used. The plan would eliminate the cost of wood specially cut for the manufacture of paper pulp, thereby materially decreasing the price of paper. It is estimated that if the waste of mills is successfully used, it will reduce by one-fourth the amount of pulp wood needed. Meanwhile, the fact that the American International Paper Co. has purchased nearly 400,000 acres of forest land in New Brunswick has again stirred up the question of protecting Canada's forests, as they are rapidly being depleted.

1933: The Japanese Campaign

TUBINGEN, West Germany — Unless the powers and the League of Nations take decisive action, the Japanese may extend the campaign they intended to limit to Jehol province into northern China, threatening Peiping, Chinese Prime Minister Wang Chung-wei said. "China must and will resist to the utmost any Japanese effort to grasp Chinese territory," he said, "but the world must realize that no permanent world peace is possible if China loses the present struggle." Asked whether recent resumption of Chinese-Soviet diplomatic relations may lead to a nonaggression pact, he said, "that depends largely upon whether Russia agrees to refrain from propaganda."



Washington Must Realize It Isn't France's Capital

By Yves Guihannec

PARIS — No French government, Socialist or otherwise, will ever follow the United States into any global commercial strategy against the Soviet Union.

If some Americans have been deceived or have deceived themselves into thinking otherwise after the pleasant visit to Paris in mid-December of Secretary of State George P. Shultz, the illusion must be quickly dispelled.

I happen to be what Americans call a conservative: This means that in international matters my main, indeed my only, concern is the Soviet threat, and that all possible means to diminish this threat seem to me worth examining — including the use of a commercial strategy. But my sympathy for American aims does nothing to alter my conviction that any attempt by the Americans to draw France into a global economic strategy against the Soviet Union is doomed to failure.

The constant misunderstanding that seems to be the natural state of French-American relations goes beyond the interpretation of facts; it also affects the way they are reported. After Mr. Shultz's visit to Paris, I heard and read a lot in American newspapers about a supposed agreement — even a "joint statement" —

by the French and the Americans on the issue of commerce with the East. True, after dinner at the Quai d'Orsay, Mr. Shultz and External Relations Minister Claude Cheysson, both dressed in dinner jackets, sipping drinks and speaking in English — a sign, I suppose, of the Frenchman's extraordinary willingness to please — jointly briefed a few reporters. That hardly amounted to a joint statement, much less a formal agreement.

The French position is clear and unchanged. Whenever security is at stake, the French will take part in joint discussions. In all other circumstances, they feel free to do as they please. As for energy, France does not plan to buy from the Soviet Union more than 5 percent of total French consumption. That may eventually be altered, but it is a matter for the French to decide.

Mr. Shultz and Mr. Cheysson did agree to pursue what they called studies of East-West trade. But this hardly represents a change in the French attitude: The Organization for Economic Cooperation and Development, the East-bloc trade organization known as COTECOM, and the various forums of the North Atlantic Treaty Organization seem to

the French perfectly good places to discuss such issues — as indeed they have for some 30 years.

But all future efforts to broaden the various studies into a general economic strategy will be met by the French with delaying tactics at best — and in some cases with outright opposition.

Why is this so? First, European governments do not believe in economic weapons. History provides no example of a successful, lasting economic campaign — and, for Europeans, the price is too high for a very uncertain outcome.

Second, the French are concerned about the independence of their foreign policy. Under De Gaulle, they pulled out of the integrated command of the Atlantic Alliance and built up their own nuclear defense; today, they will not take part in any "economic NATO."

This is not just a question of national pride. The French feel that American policymaking is too largely influenced by internal politics. Like other Europeans, they were baffled by President Ronald Reagan's decision to resume grain sales to the Soviet Union and by the lifting of a number of sanctions against Poland —

Shedding New Light On the Hostage Crisis

By Flora Lewis

PARIS — Nearly two years after the dramatic return of the American hostages, an Iranian official has given the real reasons for what happened in Tehran.

From the start, there were grounds to think the capture of American diplomats was an internal power play among rival factions seeking to control the revolution, and that the desire to humiliate the United States was secondary. But that was not well understood.

Now Behzad Nabavi, who signed the Algiers agreement to release the hostages, has put the motives on the record. The Iranian daily opposition newsletter, Frontier, has republished an interview Mr. Nabavi gave the Tehran paper Keyhan.

He said: "The United States, which had been pushed out the door, was trying to return via the window. The interim government was trying

to improve relations with the United States, the internal social situation was bad and the society was becoming ungovernable."

This confirms the evidence of the Iranian press, which has been saying since Zbigniew Brzezinski, President Jimmy Carter's national security adviser, went to Algiers in November, 1979, to attend elaborate celebrations of the 25th anniversary of the Islamic revolution.

Iranian Prime Minister Mehdi Bazargan and Foreign Minister Shamsollah Yazdi also attended, and asked to see Mr. Brzezinski. Mr. Brzezinski had been trying to signal U.S. desire for reconciliation with Ayatollah Ruhollah Khomeini's Iran on the argument that the fundamentalists and Washington had a common interest in anticommunism.

Mr. Brzezinski, who deals with the Iranian crisis at length in his forthcoming book, "Power and Principle," now says the question for him was whether he could afford to rebuff an offer of talks. That, he felt, would be extremely damaging. So he saw the Iranian officials and told them that since the United States had nothing against nationalism and religion, there should be no barrier to better relations.

That meeting, it is now clear, triggered the seizure of the U.S. Embassy on Nov. 4 of that year and the fall of the Bazargan government immediately afterward.

Speaking of the decision to free the hostages on President Ronald Reagan's inauguration day, Mr. Nabavi said the crisis "had achieved its desired goals. These were the fall of the interim [Bazargan] government, ending internal chaos, the dismantling of the leftist, counterrevolutionary and hypocrite groups, the exposing of all the multinational character and finally all the political and economic results which led to a new stage toward self-sufficiency and the breaking of ties with the United States."

In other words, the whole point was to consolidate the power of the revolutionary mullahs, whom he feared it was slipping away from them by provoking U.S. hostility and thereby arousing nationalist fervor. The hostage crisis might have been avoided if the United States had a better sense of what was going on in Iran and the need for subtlety and discretion.

This was another example of naive intelligence failure in a country that had long been one of the United States' closest and most dependable allies. Nobody in the U.S. government, including the CIA and William Sullivan, the ambassador in Tehran, had a hint that the shah was fatally ill with cancer until well after he fled his country, although French doctors had been treating him for the disease for six years.

Mr. Brzezinski says that knowledge could have made an important difference in frenetic U.S. policy debates in the period leading to the shah's departure. The French government was aware that the shah's health was affecting his judgment, but only after Ayatollah Khomeini reached Paris and a special envoy was sent to ask the shah what to do with the wily refugee.

The shah never asked France to expel the ayatollah, nor even to muzzle him. But more surprising, after the fall of the shah the United States never cautioned Paris against letting the ayatollah return to Iran.

It all adds up to an enormous ignorance about a country and people that the United States considered of vital strategic interest. There have been complaints that the CIA is hobbled by oversight committees and restrictive laws. But in the case of Iran, awash with U.S. officials, the only constraint was that imposed by the shah, who did not want the Americans talking to the local opposition.

That monumental fiasco poses the question of how good American political and social intelligence is in other, less strategically important countries: that Washington presumes to know how to handle.

And it shows once again how little Washington understands revolutions and the frustrations of developing societies. Things might have gone differently in Iran, but the attempt to save the shah was doomed and with it the hope of keeping on good terms with Iran. There will be new opportunities when Ayatollah Khomeini goes, and new failures if nothing has been learned from Iran's crisis.

The New York Times.

Japan's Ties With U.S. Are at a Critical Juncture

By Mike Tharp

TOKYO — Despite the festive air at one of Tokyo's myriad year-end receptions, Mike Mansfield, America's ambassador to Japan, looked grim. Standing ramrod-straight, hands clenched behind his back, the 79-year-old envoy shook his head.

"We've got a helluva problem," he said. "Next year will be the worst year in U.S.-Japan relations since the war."

Unfortunately, Mr. Mansfield, who has been ambassador here since May 1977, is right. Relations between the world's two largest capitalist economies have deteriorated to their lowest point, and 1983 will probably be even worse. What Mr. Mansfield calls "the most important bilateral relationship in the world" is on the verge of a mutually detrimental change.

Trade and defense are the main issues of contention. There has been a gradual escalation of tensions, from irritation in the late 1960s over Japanese textiles and American soybeans, to aggravation in the 1970s over Japanese steel, color televisions, cars and semiconductors, to increasingly bitter frustration in the 1980s over lack of American access to Japanese markets and over Tokyo's defense policy.

In better economic days, there was room for both sides to maneuver. In hard times, there is not. With 12 million jobless Americans pushing politicians to find a scapegoat, Japan, still struggling to discover its proper place in the world, has become

the natural target. Visiting American delegations have told the Japanese to open their market wider to American products and to spend much more for defense. While both goals are favored by many Japanese, the stridency of the Americans' rhetoric and the U.S. administration's ideological inflexibility have done more harm than good.

The basic political debate in Japan today is not a conflict between left and right, as it was during the 1960s. Now, Japanese have polarized into two contending schools of thought: those who advocate Japan's continued participation as a member of the Western democracies, and those who want their country to retreat again into isolation or at least a more independent position.

The Japanese are the most pragmatic people on earth. After Japan was beaten in World War II, American soldiers had their rifles ready on the Ginza, awaiting any resistance. There was none. The practical Japanese understood they had lost and now had to deal with a new reality.

U.S. generosity, coupled with the vision of General Douglas MacArthur, allowed Japan to become America's chief economic competitor, as well as its ally. Many Japanese have been slow to acknowledge the debt. But pressure born of frustration will not encourage their repayment.

Isaac Shapiro, an American lawyer who was

born in Japan before World War II and who is past president of the Japan Society in New York, considers Japan's postwar period "a kind of moratorium" in that country's history. There was very little intimacy between Japan and other countries from 1953, when Commodore Matthew C. Perry steamed into Tokyo Bay, until 1945. Japan's relations with the West grew out of the American occupation period, he suggests, and were not a natural consequence of Japanese preferences.

It is still premature to say, as one Japanese government official said in March 1982, that a breakdown of Japan's relations with its major Western trading partners could lead Japan into a much closer alignment with socialist countries. What is more likely is that Japan will gradually increase the pace of its glacial move toward closer relations with its Asian neighbors, especially China, as well as toward some sort of improved economic ties with the Soviet Union.

Is this what Americans want? Do U.S. leaders want Japan to begin exporting weapons, applying its formidable technology to the arms race? Do they want Japan to pursue a Gaullist-type foreign policy? Unless these questions are grappled with rationally, there will be one question left at the end of the century: Who lost Japan?

The writer is Tokyo bureau chief for the Far Eastern Economic Review. He contributed this article to the Los Angeles Times.

A Rescue Is Needed at May's Economic Summit

By Henry Owen

WASHINGTON — Something like bipartisan agreement seems to be emerging in the United States about the need for U.S. leadership to restore the world economy. In one recent week Treasury Secretary Donald T. Regan called for a world conference to reshape the global monetary system and former Vice President Walter F. Mondale urged that the United States propose an emergency summit to address global growth, banking, and trade problems. It is increasingly clear that recovery cannot be achieved without coordinated international action.

The central problem is high long-term U.S. interest rates, which make world recovery difficult if not impossible. These high rates are caused, at least in part, by the prospect of large future U.S. budgetary deficits. It is easy to call for reducing these deficits, but this requires measures — cutting expenditures and increasing taxes — that are opposed by powerful U.S. groups. It seems likely these measures will not be taken on the requisite scale; presidential and congressional support are both lacking.

But suppose that President Ronald Reagan were able to strike a deal with the heads of government of the other six major industrial countries at the Williamsburg economic summit in May — an agreement that called for steps to reduce future U.S. budget deficits in return for major changes in the allies' policies and resulting economic benefits for the United States.

Under such an accord, the European countries and the United States would pledge themselves to a combination of long-term fiscal restraint and the flexible monetary policy that such restraint makes possible; this should result in higher sustained non-inflationary growth. West Germany would pledge itself to modest short-term fiscal stimulus as well.

Japan would promise a substantially more expansionary fiscal poli-

cy, to produce both domestic recovery and a righting of its external trade balance.

All would commit themselves to the reductions in trade barriers that are needed to avert a trade war, and which should be feasible in the improved economic environment created by the policies described above. Increased U.S. exports would result.

All would commit themselves to concerted intervention in foreign exchange markets, as required to narrow the range of fluctuations inherent in a floating rate system.

The heads of government could also underline the importance of increasing the resources of the International Monetary Fund and the World Bank; and they would support the other concerned measures to meet needs of indebted developing nations that Secretary Regan has in mind.

Here is a global bargain that might, as Mr. Mondale has suggested, put the world back on the road to growth and slow the gathering drift toward protectionism and default. Within the context of such a bargain, could the U.S. government take the politically difficult decisions that are needed to bring down U.S. interest rates and thus make the bargain acceptable to all the allies?

The obstacles are evident. The president would have to be convinced that this agreement had sufficient advantages for the United States — including higher growth and lower trade barriers abroad — to warrant both abandoning his opposition to tax increases and moderating proposals for increased military spending. Democratic leaders in the Congress would have to be convinced that the concessions by President Reagan and the allies warranted the cuts in domestic spending that would be required to make the deal feasible.

The executive and legislative branches of government would have

to be persuaded that a healthy international economic system required more money for the World Bank; the Congress would have to be willing to provide the increased funds for the IMF that the executive branch is seeking; and the executive branch would have to abandon its opposition to intervention in foreign exchange markets.

This is strong stuff, but there is some precedent for this kind of bargain. At the 1979 economic summit in Bonn, the United States pledged to decontrol oil prices; West Germany promised to adopt (which it later did) a stimulus equal to 1 percent of its gross national product; Japan also pledged stimulus and followed through; and all agreed to timely

completion of negotiations looking to substantial reductions in trade barriers. Within the framework of this agreement, President Jimmy Carter was able to take oil price decontrol measures that earlier presidents had found politically infeasible and which greatly improved the world energy outlook.

If an even more ambitious bargain is to be struck at Williamsburg, preparations should be started now. Each of the seven governments will have to be prepared to take measures it now finds distasteful. The United States should take the lead.

The writer, ambassador-at-large during the Carter administration, is a senior fellow at the Brookings Institution and a member of the Consultants International Group.

LETTERS TO THE EDITOR

Wine's Language

Regarding "Russian Wine? Stick to Vodka, Tasters Say" (HT, Nov. 24): Like the emperor's clothes, it is time someone spoke out against the absurd misuse of English in describing wine. How, in the name of Dionysus, one wine can be "cheeky" and another "a trifle naive" can best be answered by the besotted. To describe such so-called wine connoisseurs I should like to suggest a few other wine terms such as "sappy," "fruity," "nutty" and "dumb."

As for wine "talking a different language," that is precisely what the Circle of Wine Writers and others should be doing!

DON SEBASTIAN, Athens.

Birth-Control Morality

Regarding "In Most Developing Countries You Need More People" (HT, Dec. 15):

Dr. Billings is guilty of perverted logic. What good are a pair of hands if the child they belong to is so weak with lack of food that he can't dress himself? Of course economic and social progress are needed in the Third World — that's what developing countries are trying to develop. But social progress includes understanding the demographic limits of a country's resources. It also includes acknowledging the right of women to be more in society than breed mares. International family programs are one of the good points of the United States' scanty aid to the poor, overcrowded, starving nations.

Further, Dr. Billings suggests that the availability of birth control is a minority imposing morality on a majority. I beg to differ. The availability of birth control imposes nothing on anyone — it merely gives women the chance to determine their own moral standards. To ban birth control would be an imposition of morality. Lastly, Dr. Billings has surely

slandered many good people by suggesting that those who work with international family planning organizations are contemptuous of the people they serve and involved out of a profit motive. The sacrifice of a high living standard to live among the poor of Senegal does not seem to be evidence of either.

THERESA HITCHENS, Brussels.

Soup-Line Politics

The article "Soup-Line Talk: May Cheer Reagan" (HT, Dec. 23) just didn't ring true. Two things would have made it credible: that the president left his champagne party to join the soup-line of real Americans who are "staying the course," and that Robert Brown, the unemployed man who analyzed the country's financial plight, was made an economic adviser to President Reagan.

SHERWOOD R. GORDON, Ostaad, Switzerland.

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هكمان الأهل

Officials of 4 Nations To Meet in Panama on Central America Strife

By Alan Riding

New York Times Service

MEXICO CITY — The foreign ministers of Mexico, Venezuela, Colombia and Panama are to meet this weekend in Panama to discuss possible new regional initiatives to promote peace in Central America, according to an announcement here Wednesday.

Although no concrete proposal is expected to emerge from the talks on the Pacific island of Costa Rica, the four foreign ministers are known to be unhappy with United States policy in Central America and to favor negotiated settlements in El Salvador's civil war and in the border tensions between Honduras and Nicaragua.

Senior officials stressed the significance of the fact that while Mexico and Venezuela had previously coordinated their diplomatic efforts in the region, they would be joined for the first time by Colombia and Panama, which last fall participated in a regional gathering that endorsed U.S. policy.

They said the planned talks also served to confirm that Mexico's new president, Miguel de la Madrid Hurtado, intended to maintain his country's political presence in Central America despite the Mexican economic crisis.

Coincidentally, Mexico's Foreign Ministry announced that the U.S. assistant secretary of state for inter-American affairs, Thomas O. Enders, would be in Mexico on Thursday and Friday to discuss issues of interest to both countries. Officials added that Mr. Enders would be informed of the objectives of the weekend talks.

The Contadora meeting, called at Mexico's suggestion, is seen as a follow-up to an unsuccessful attempt in September by the former president of Mexico, José López Portillo, and Venezuela's president, Luis Herrera Campins, to organize peace talks between Honduras and Nicaragua.

N.Y. Youth Fatally Shot

NEW YORK — A 14-year-old boy fatally shot another teen-ager Wednesday during a dispute in a Bronx schoolyard, the police said. Alton Dorsi, 15, died in a Bronx hospital of a bullet wound in the back. The police said they have identified the suspect, who fled.



OUT OF SERVICE — A crowd gathered in Quito outside the Central Bank in the second day of a strike by Ecuadorian public employees. The strike by the nation's 200,000 public employees, which began Tuesday, and the worst floods in 50 years have nearly paralyzed the country's government, services and economy. At least 16 persons have died in the floods and thousands of people are homeless.

U.S. Military Group Meets Leaders Of Nicaraguan Army in Managua

United Press International

MANAGUA — A four-member U.S. military delegation has met for the first time with the leaders of Nicaragua's Army, military sources said, amid new demands that Washington end "criminal" attacks on Nicaragua's Sandinist government.

The U.S. delegation met Wednesday with Defense Minister Humberto Ortega Saavedra in the former command post of Anastasio Somoza, who was deposed as president in 1979 by the Sandinists, the sources said.

The sources declined comment

on the nature of the visit, which was led by General William E. Odum, chief assistant to the Joint Chiefs of Staff for intelligence.

General Odum was joined by Lieutenant Colonel Henry E. Bolert, military attaché of the U.S. Embassy in Honduras; Lieutenant Colonel Henry Nevares, Latin American intelligence expert for the Joint Chiefs of Staff, and Major David F. Young, intelligence officer of the U.S. Southern Command in Panama.

A source said the U.S. officers "supposedly were in Honduras

first" before flying on a U.S. Air Force plane to Managua, where they were expected to stay for 48 hours.

Earlier, the foreign ministry released a message sent Tuesday to George F. Shultz, the U.S. secretary of state, accusing the Reagan administration of backing rightist Nicaraguan exiles in Honduras in their efforts to topple the government.

"True to our dedication to peace," it said, "we demand that you abandon this aggressive policy toward Nicaragua."

"In the most energetic way," it said, Nicaragua "presents its protest to the U.S. government for all these criminal actions, contrary to the most elemental norms of people's rights, which must regulate relations between states."

The message was the latest salvo in the dispute between Nicaragua and the United States over what Washington views as the growing totalitarian tendencies of the Sandinist government and its support of leftist insurgents in other Central American countries. Nicaragua has accused the United States of meddling in its internal affairs.

The Sandinists called on the Reagan administration to initiate frank talks "without conditions" to end tension between the two countries. Negotiations, the message said, "always have been rejected by the U.S. government."

Surinam to Expel 2 U.S. Envoys; Washington Reportedly Retaliates

Reuters

THE HAGUE — Surinam has told two U.S. diplomats to leave the country by Jan. 15, the Surinam news agency has reported.

The agency, quoted by the Dutch news agency ANP, said Wednesday night that the United States had reacted by expelling Surinam's representative in Washington, Rudy Van Bochove, who was given 14 days to leave.

Surinam's national information service named the U.S. diplomats as Edward Donovan and Richard LaRoche and said they "had not

acted in accordance with diplomatic rules."

The report said the two men had openly criticized Surinam's revolutionary process and had appeared to favor activities against the Surinam authorities.

The United States and the Netherlands suspended development aid to the former Dutch colony after at least 15 leading citizens were shot and killed in Paramaribo, the capital, last month. Surinam said they were killed while trying to escape from custody after the government discovered plans for a coup.

Days Before Reopening, Pipeline To Zimbabwe Reported Cut Again

By Jay Ross

Washington Post Service

HARARE, Zimbabwe — Mozambican rebels have blown up a section of the vital pipeline to Zimbabwe, threatening further difficulties for the country's fuel supply, sources said Thursday.

The rebels blew a hole in the pipeline on Wednesday night, days before the pipeline was to reopen, according to the sources. The 188-mile (301-kilometer) pipeline, which runs from the Mozambican port of Beira to Mutare in eastern Zimbabwe, was closed after petroleum tanks were sabotaged last month.

Government and oil industry officials declined to comment on the reports of the latest attack.

The attack, believed to have been carried out by rebels of the Mozambique National Resistance, took place at Maforza, in Mozambique, the sources said. The extent of the damage was unknown.

Zimbabwe has had an acute fuel shortage since mid-December, when saboteurs blew up 34 oil storage tanks in Beira. The Mozambique National Resistance, allegedly supported by Pretoria, claimed responsibility, but the Mozambican government blamed South African forces. Fuel to Zimbabwe must now be routed by rail through South Africa, where it is subject to slowdowns.

Supplies to garages in Zimbabwe have been cut by more than 40 percent, causing panic buying by motorists who wait in long lines to get as little as two gallons (7.6 liters) of gasoline.

In Mutare last week, few cars were on the road. Most were parked in long double lines at gas stations, despite notices that no fuel would be sold until after the New Year's holiday.

Motorists in the country's four major cities are required to register their vehicles at a single service station to buy fuel. But the system has not reduced the long lines.

The energy minister, Simba Makoni, is in Mozambique for talks on the reopening of the pipeline, which can supply Zimbabwe's needs in 10 to 12 days of pumping a month when fully operational.

Zimbabwe has stationed about 2,000 troops along the pipeline in Mozambique to help protect the facility. But the attacks by the Mozambican rebels appear to have gone on unabated, and the Mozambique National Resistance has

threatened to carry its fight against President Samora Machel's Marxist government across the border to Zimbabwe.

South Africa has offered to hold ministerial talks with Zimbabwe on a long-term fuel supply contract. But Prime Minister Robert Mugabe has refused, saying the government would hold talks only at lower levels.

A government spokesman denied on Thursday persistent reports that Mr. Makoni had signed an agreement on fuel supply with a South African cabinet minister in Botswana.

Pledge to Whites Reported

The government will increase protection for white farmers in the southern province of Matabeleland, where at least 12 persons have died since Dec. 19 in raids by bandits, United Press International reported, quoting a farm leader.

Jim Sinclair, the president of the Commercial Farmers Union, said the government made the pledge at a union meeting in the southern city of Bulawayo.

Mr. Sinclair said he met Wednesday with Emmerson Mnangagwa, the minister of state for security, and Sydney Sekeramayi, the minister of state for defense. He called the meeting "useful" and added, "We look to the full-scale implementation of determined and tough action against bandits and murderers, as pledged in the prime minister's New Year message."

Bomb Defused in Haiti

The Associated Press

PORT-AU-PRINCE, Haiti — The Haitian police removed and defused what was described as a powerful bomb found in the Ministry of Finance building Wednesday, according to sources. The government refused to comment.

The discovery follows an explosion Saturday, on the eve of the 180th anniversary of Haiti's independence. The blast killed four persons.

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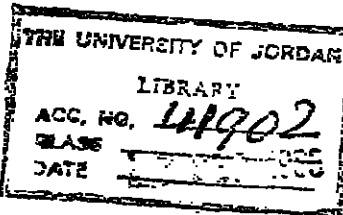


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Tables include the nationwide prices up to the closing on Wall Street.

12 Month High Low Stock Div. Yld. P/E Ratio High Low Close Change										12 Month High Low Stock Div. Yld. P/E Ratio High Low Close Change										12 Month High Low Stock Div. Yld. P/E Ratio High Low Close Change										12 Month High Low Stock Div. Yld. P/E Ratio High Low Close Change																																																																					
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The Shilling: Everyman's Small Change

LONDON — James O'Donald Mays is a former American diplomat who wears solemn heavy-framed spectacles and has founded a publishing house called New Forest Leaves after the region of England to which he has retired. So far he is the company's sole author and, as the company's publisher, he recently sent out a press release about the company's first book.

"Amazing Story of the Shilling Told in Book By American Author," says the excited headline. The book, by James O'Donald Mays, who is

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also an amateur numismatist, is called "The Splendid Shilling" and it illustrates 130 sorts of shilling coins from the first, issued by Henry VII and confusingly referred to as a testoon, to such oddities as the Finestre and Maryland shillings of colonial America.

The shilling still circulates in Britain, although with decimalization it is referred to as a five-pence piece. It can also be found in former colonies, such as Kenya, where it also exists in a testoon form. Although the shilling did not appear as a coin until about 1504, it existed figuratively as a unit of accounting as far back as William the Conqueror and the Domesday Book. In the 13th century a shilling was worth: a pair of shoes, 660 bricks, a sheep or a pound of pepper.

There have been shillings (Germany, Austria), and shillings (Denmark, Norway, Sweden) as well as shillings. The etymology is vague: A small Roman coin called the *sestertius* may form the root, though the Teutonic *schilling* is preferred since it means to divide and suggests a coin that may be divided into smaller parts.

The shilling may not seem at first the most popular and frequently cited coin — "a penny for your thoughts," "jolly, jolly sixpence" — but Mays says that it is. "If you make a table, as I did, the shilling outstrips all denominations," he says. He calls the shilling Everyman's coin. "In Britain it was the people's coin, anyone could own it. It was not beyond the poor."

Shillings were made of silver occasionally and in times of siege from tin pails and cannon. In 1811 the government ran completely out of small change and merchants began issuing shilling tokens. The custom spread to about 100 towns and cities in England and Wales, many of which featured local monuments on their tokens such as the Eddystone lighthouse or Bristol Bridge (a few decades later a shilling token in Tasmania featured a kangaroo).

Edward VI was the first monarch to date his shilling pieces. Charles II introduced all-milled, rather than hammered, coins and the custom whereby if one ruler faced right on a coin, his successor's coin would feature a left profile. This custom was broken by Edward VIII, later the Duke of Windsor, who should have faced right but preferred his left side. Edward was so difficult about his coins that by the time he abdicated none had been issued and only patterns still exist. Extremely rare, the pattern shilling coin is now worth £25,000.

It is amazing that there are any old shilling pieces left, the long-disbanded practice of clipping coins having thrived through the centuries. "As long as you could recognize the head of the monarch or 12, for 12 pence, you could clip off the rest and it would still pass," Mays says. When coins had a good amount of silver in them out would come the shears, despite heavy penalties.

"It would come out in the court testimony that the clipper had made a

huge fortune and that kept the business going, very much like drug-running today," Mays says.

By the mid-18th century a new use had been found for the shilling: Cutting off an heir with a shilling became a legally accepted way of in fact cutting off an heir. If a person was not mentioned in a will at all, the court might reason that he or she had been forgotten; the mention of a shilling showed that he or she had been remembered in what the Law Society called "the greatest testamentary insult that one human being can offer to another."

The shilling was also used as a pretext for recruiting foolish young men into the army. Anyone who accepted "the king's shilling" from a recruiting officer had in fact contracted to enlist. Unscrupulous recruiting sergeants would make men drunk and slip the shilling into their pockets or into their mugs of ale. Some public houses supplied glass-bottomed mugs so the coins placed there by recruiting sergeants could be safely spotted.

If the shilling is especially rich in history and folklore, any coin, says Mays, can tell a great deal about the country it represents. "The most obvious thing it tells you who the national leaders are," he says. "Very often it tells you the history and political events. Many countries have propaganda of a sort. In America we have 'In God We Trust' on our coins, hoping to demonstrate that we are a religious people."

Mary Tudor had the portrait of her husband, Philip of Spain, included on her shilling piece, identifying him as king of England. Although Philip was never crowned king of England, his inclusion was taken as an accurate warning of Mary's ardent Catholic sympathies. Oliver Cromwell, toppler of the monarchy, issued an austere shilling with no portrait — at

first. A later coin not only shows Cromwell, warts and all, but features a crown on the reverse.

The fleur de lys, with its implied claims to French territory, was not dropped from English coins until 1817. Including die varieties, 900 sorts of shilling were issued in the reign of Queen Victoria. Although she became empress of India in 1876, this title did not appear on her shillings until 1891.

While Mays collected his shilling lore, a task of about six years, he was also writing a book on Nathaniel Hawthorne's career as American consul in Liverpool, which will be the second publication of New Forest Leaves. "I'll get in other authors when I know the ropes," he says. As a Southern gentleman — he is from Georgia — he thinks that his interest in things British is in part hereditary.

"The Southern states were always more pro-British. For example, after the Revolution King's College in New York became Columbia. William and Mary in Virginia stayed William and Mary."

The subtitle of "The Splendid Shilling" is "A Social History of an Engaging Coin" and the title comes from the lines by John Philips (1676-1709):

Happy the man who, void of care and strife,

In sliver or in leather purse retains

A Splendid Shilling.

This just about sums up Mays's feelings toward the shilling. "I was looking for something of that nature that would describe its uniqueness. I came across this poem and it said it in one word: Splendid!"

"The Splendid Shilling," New Forest Leaves, Burley, Ringwood, Hampshire, £7.95.



Don Jones, right, and Sakae Oba, left, help put up a signpost on Saipan.

A Different Wartime Reunion

by Terry Trucco

SAIPAN, Northern Mariana Islands — It was hot as the small party of middle-aged men trudged up the jungle-covered hill near Mt. Tapotchau here. By the time Don Jones reached the top, his face was pink and bathed in sweat. He was also triumphant. "This is one of the most exciting days of my life," he exclaimed as he plopped down on a rock and tried to catch his breath.

It was the kind of remark heard often at reunions, which is precisely what this jungle expedition was. But it was a curious reunion. Jones's 20 companions were former soldiers in the Japanese army. Jones is a veteran himself, a former U.S. Marine. The last time all were together was in 1945, at the end of World War II, when this troop of Japanese refused to surrender and for four months after V-J Day prevented U.S. forces from completing the capture of Saipan, the largest of the Marianas Islands, in the west Pacific.

Jones is still impressed by the events of that time. The island was invaded by U.S. troops on June 15, 1944, and declared under control on July 7, although Capt. Sakae Oba and his dwindling band eluded the Americans, who regularly raided the jungle and organized a sweep of the island. Following the surrender on Aug. 15, 1945, the Americans blanketed the hills with pamphlets announcing the war's end. But Oba and his troops held out. On Dec. 15, 1945, when they finally emerged from their hiding place, "It wasn't a surrender," recalls Jones. "They fired three volleys in the air for their fallen comrades, held a prayer ceremony and then, in their tattered uniforms and carrying the Japanese flag, they marched out singing a war song."

Such actions, says Jones, are the stuff heroes are made of. "If they had been ours, we'd have given them the Medal of Honor." But in vanquished Japan, the war was rarely discussed in such terms. Only the deeds of a few famous generals were mentioned, a situation that persists. "The average Japanese knows nothing of these and other Japanese soldiers, of how well they fought," says Jones. "They should be proud, but instead they carry a sense of shame."

Indeed, Jones terms these tales of bravery an "unwritten page of Japanese history," and he is trying to change that. In early December his book "Tapotchau," a novelized depiction of the deeds of Oba and his men, was published. In Japan in Japanese. And to commemorate the anniversary of Oba's emergence from the jungle, Jones and 20 of the 46 Japanese who survived Saipan returned to the island.

Although Jones insists it is pure coincidence, his book appeared when defense and military are in the news and on the minds of many Japanese. Persistent U.S. requests for increased Japanese defense expenditures have made this one of the country's most hotly debated topics. At the same time, several books on World War II have recently appeared in Japan and sales are reported to be brisk for Shintaro Morimura's "The Devil's Churn," detailing bacteriological experiments practiced by a unit of the Japanese army on Chinese and

China and South Korea expressed fears of a revived mood of militarism in Japan when new textbook editions played down the severity of Japanese actions during occupations in both countries. Many Japanese argue that such concern is unfounded, but defense is getting more attention than it has for years. In view of this mood, some Japanese speculated that a book like Jones's was far more likely to have found a publisher today than a decade ago.

A vigorous man of 58 with curly gray hair and a goatee, Jones says he didn't write his book in support of the war or in defense of Japanese military intentions in the 1940s but rather "to show what these people did in a bad situation." Nor does he think it odd that an American should celebrate the enemy he once fought. "The Japanese have long felt a sense of shame about the war, and this is the kind of book a Japanese would never have written."

But why spend all the time and research needed to tell the tale to a limited audience? The book does not have an English-language publisher, and Jones seems in no hurry to find one. "I don't know why," he muses. "What young Japanese seem to lack is a sense of pride in the way their fathers and grandfathers fought. But I fought against them for three years. I know how good they were."

Jones's "campaign" began unofficially in 1965, when he worked with the U.S. Information Service at the American Cultural Center in Niigata, Japan. "Every country has pride in what their forefathers did in war, but the Japanese I saw didn't," he says. "Their feelings for their country centered around material things."

Even then the tale of Mt. Tapotchau had been haunting him for years. In the 1950s he tried unsuccessfully to interest Hollywood in a film script of the saga. So he filed it away in a closet until the time seemed right. He had plenty else to do.

A native of Toledo, Ohio, Jones joined the Marines when he was 18 years old and was shipped to the Pacific. After the war, he headed for Los Angeles, where he worked for the Los Angeles Mirror, United Press and eventually the publicity department of the National Broadcasting Company. He also moonlighted by writing occasional television scripts.

In the early 1960s he joined the U.S. Information Service, the public information arm of the U.S. government. After his first assignment to Pakistan, he worked, usually as a press officer, in Vietnam, Brazil, Washington, Botswana and Japan. He was on a second assignment in Pakistan three years ago when he decided to unearth his old tale of Captain Oba and the troops. "I went to Japan to try to interest a filmmaker in the story, and someone said to me, 'Why don't you do it right? Write a book first.'"

The first thing Jones did was contact Oba, who was living near Nagoya, Oba, married and the father of three children, owned a small upholstery factory and dabbled in real estate. He was extremely reluctant to work on Jones's project. "I felt that period was already passed," says Oba, who is now 67. "I told him we should let people forget it." But Jones persisted and finally Oba was won over by what he describes as Jones's "fine personality."

Oba taped recollections of troop movements, hiding places and life in the Saipan jungle. He also visited Pakistan for two and half weeks to discuss the war with Jones and several members of the Japanese Embassy there. "He drew maps and played the tapes of his memoirs," says Jones. "I knew the guy and his men were heroes by anybody's yardstick."

Oba and the men who returned to Mt. Tapotchau in early December may see their saga in a somewhat different light. As they returned to the jungle, they were full of memories and talked animatedly. One former soldier pointed to a large snail, recalling that soldiers cooked and ate these to keep from starving. Some swept at their feet on a golf course that once served as the burial ground for thousands of fallen comrades. Several of the survivors carried incense and markers, which they laid before a rusted tank and other debris of the war.

No one was talking about heroism or personal bravery. One man admitted he was reluctant to return, saying he felt guilty that he had survived and so many had died. Another said he hadn't wanted to come but his wife persuaded him, saying he could then lay his memories to rest. He was glad he came, he added.

In recent years, dozens of World War II veterans from both sides of the war have returned to Saipan, now a U.S. commonwealth territory, to retrace their steps. "These guys get to be 55 and they decide they've got to go back once more," says Ted Orborow, an American consultant who has lived here more than 20 years. "They seem to think of their time here more as an old adventure than in terms of 'Oh, we should have gotten those guys.' Both sides had tremendous admiration for each other."

Most of the Japanese soldiers from Oba's company said the best reason for dredging up their past was to enable younger generations to know what war was like. "The younger generations have not been much interested in war stories, but I feel now with talk of increased defense spending young people must know what it was like," Oba says. "We have to be able to defend our own country. But we have to be careful that it will not get us into another war."

Adds Yoshinori Toyofuku, a retired officer, "I always told my children, 'Don't dare go to war again.' But for peace now we must have power. They must know what war was like to keep peace."

Will Jones's book about Japanese bravery have its author's intended effect, instilling pride in an indifferent nation? Jones terms the reaction so far "fantastic — one of gratitude, not among just older Japanese but younger ones, too." But the subject remains highly sensitive.

"The idea is basically disgusting to me that an American should be praising the enemy," says a 37-year-old Japanese translator who read the book. Others feel it will take considerably more than "Tapotchau" and the other volumes that might follow. "Maybe this will be something of interest for middle-aged Japanese people, but young people, I think, will not be very much interested," concludes a Japanese reporter in his 20s.

Restaurants: Best in Paris

by Patricia Wells

PARIS — What's the best restaurant in Paris? The search for perfection would certainly begin with the 6 restaurants — out of 21 in all France — that the Michelin guide has awarded its top three-star rating, meaning that they are worth a special trip.

The six — L'Archevêque, Le Grand Vefour, Lasserre, Taillevent, La Tour d'Argent and Le Vivarais — are as different from one another as the seasons of the year. Each restaurant has its virtues and each its shortcomings. Each appeals to a different clientele and each has its defenders and detractors. In the end, each takes on the personality of the man responsible for its day-to-day operation. If you like what he projects, you'll like the restaurant.

L'Archevêque is proud and self-important. Grand Vefour like a comfortable shoe, while Lasserre embodies that typically Parisian, privileged air. Taillevent is discreet, attentive and well-bred. Tour d'Argent, theatrical and unabashedly bourgeois and Vivarais is shy and unpretentious. None can be understood in a single visit.

Taillevent, Lasserre and the Tour d'Argent are restaurants of tradition. Diners go there to do business or socialize, to see and be seen, in some cases paying more attention to the service and amenities than to the food. L'Archevêque is a temple of nouvelle cuisine and people go for the food, to see what its chef, Alain Senderens, is up to. Vivarais is where other restaurateurs and critics often go, because they consider its chef, Claude Peyrot, a genius. Grand Vefour is where bankers, ambassadors and artists gather to participate in part of the daily living theater of France.

For some people, dining in a three-star is a daily affair. For others, it's a one-time experience. Ideally it should be a special event, one reserved for celebration or marking an occasion. Since the bill is likely to average 300 to 500 francs a person, it ought to be very special indeed. (Two of the six offer lower-priced luncheon menus. At Vivarais, one can enjoy a light lunch with the 150-franc menu, while at the Tour d'Argent there's a 190-franc menu that includes the duck specialties. These prices do not include wine or service.)

If there's one mistake some visitors make, it's to try to squeeze in three, four, maybe even all six three-star establishments in a single week's visit. Some visitors turn suicidal, devouring two three-star meals in a single day. The overall effect is diluted, the meals begin to run together, and one hasn't the time to savor each experience.

How does one choose and how does one judge? If I could create a composite of recent meals at all six, I'd cut them apart and restructure them like a jigsaw puzzle. I'd take the view at Tour d'Argent, the service at Taillevent and the sommelier from Grand Vefour. I'd start with *huitres chaudes* from Vivarais and then sample the *côte d'agneau* or the *pinot d'ard* from Taillevent. Midway through the meal the roof would open at Lasserre. The cheese course would come from L'Archevêque, along with fresh toasted walnut and raisin bread. I'd finish up with the chocolate cake and almond tarts from L'Archevêque, then retire to the cave at Tour d'Argent for an old Armagnac.

Fantasies aside, what is the visitor likely to find at the six restaurants?



Illustration by Joan Schatzberg

Taillevent. This clublike *hôtel particulier* embodies the qualities one looks for in a great restaurant: excellent food, comfortable surroundings and impeccable service. The wine list is complete and priced fairly and whether you dine there daily or just once, service is likely to be exquisite.

With its high ceilings, oak-paneled walls, antique cane chairs and crystal chandeliers, Taillevent's setting is much like a grand old salon, a bit dark and heavy, and yet cozy and welcoming. People don't go to be stunned by sauces, to swoon over new and lively combinations or to float away in ecstasy, but one can. And one rarely leaves Taillevent disappointed.

Jean-Claude Vrinat, the owner and idea man in the kitchen, oversees the dining room like a stern inspector, albeit a well-bred one, with not a hair out of place. Over the years he has lightened and updated the cuisine, yet the food is far from trendy. At Taillevent, diners are encouraged to share portions, a practice one rarely finds in grand restaurants. And if you display a bit of indecision — you can't decide between *foie gras d'oie* and *foie gras de canard* — the waiter will quickly offer a small sampling of each.

With a staff of 48 to serve 80 diners, it's still Vrinat who pays attention to the most minute details, remembering diners who've visited through the years. Each bottle of wine is sampled by Vrinat or one of the sommeliers before being offered, and mineral water is dispensed without charge throughout the meal. Ask the sommelier for the wine label, so that delicious Burgundy or Bordeaux can be remembered.

and a few moments after the bottle is emptied he'll deliver a white envelope on a silver platter. Inside will be the label, dried and flattened.

"I realize that, for many people dining here may be a once-in-a-lifetime experience, and I don't want them to go away disappointed," explains the director.

Taillevent offers many dishes you won't find elsewhere. While Vrinat conceives each new dish, it's his chef, Claude Deligne, who carries out the instructions. The two dine together regularly, after the lunch hour is over, sampling, changing, updating dishes that will be added to the menu. Vrinat also uses regular diners as "samplers" from time to time, offering them between-course tastings of new creations. Dishes that have become classics include the *cervelles de fruits de mer*, a feathery-light sausage of lobster, langoustine, and pike, studded with bright green pistachios and black truffles, and the *pinot de porc au feu*, a fresh, farmed guinea hen surrounded by crisp vegetables, including potatoes, carrots and turnips in an elegant sauce.

The wine list is extensive and Vrinat attends to it with care, often spending the weekend visiting vineyards in search of worthy additions. The price range is varied. As the director says: "When people look at a wine list, they shouldn't feel abused."

Taillevent is also one of the few grand Paris restaurants without a *table royale*, or single most-covered table. When one corner ban-

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On Broadway, Hard Times

by Carol Lawson

NEW YORK — The Broadway theater, bedeviled by a national recession and a season in which few shows have received critical and public acceptance, is in its worst slump in a decade. As the 1982-83 season reaches its midpoint, paid attendance has dropped 22 percent from the level of a year ago, gross receipts have fallen 15 percent, 15 of the 39 Broadway theaters stand empty, and as many as 11 others may go dark in the next few weeks unless business improves.

The situation is in grim contrast to the euphoric mood on Broadway only two years ago, when the theater was enjoying its biggest boom in many years. Industry leaders then were convinced that the theater was immune from the national recession — a theory apparently supported by the fact that business was surging despite a sharp increase in ticket prices.

Spirits were buoyed by this supposed evidence of the historical pattern of the entertainment industry, which is that show business thrives in bad economic times as people seek a way to escape their problems.

But the euphoria was short-lived. Last season business began to decline, and this season the downturn has been quicker and steeper. "Compared with two seasons ago, business has fallen off 30 percent," reports George Wachter, director of research for the League of New York Theaters and Producers, the industry's trade association.

The number of tickets sold — the key indicator of the health of the theater industry — has fallen from 6 million at this time last year to 4.7 million for the season to date, for a drop of 22 percent. The league forecasts a total of 8 million ticket sales for the season, compared with 10.1 million last season and 11 million the previous year.

Gross receipts, the total amount of money paid for tickets, are down sharply, even though they are inflated by rising ticket prices. Broadway box offices have taken in \$113 million so far this season, compared with \$131 million at this time last year, for a decline of 13 percent. The league forecasts a total of \$200 million in gross receipts for the season, compared with \$223 million last year and \$197 million the previous season.

Gross receipts rose last season, even though ticket sales declined, because of the increase in ticket prices.

The attendance figures and gross receipts reflect in part the reduction in the number of productions. There are 23 shows playing on Broadway, compared with 25 at this time last year. There is also one show in previews, "Merlin," a musical starring the magician Doug Henning, which is scheduled to open Jan. 30.

The decline in the number of new productions and the large number of empty Broadway theaters have had a depressing effect on the entire industry. There is no longer any mention of a theater shortage, which had been a much-talked-about problem facing producers. The number of empty Broadway theaters rose to 15 on Sunday with the closings of two long-running musical hits, "Annie" and "Sophisticated Ladies," and of the revival of "Present Laughter."

When times were good a few years ago, it was thought that Broadway needed more theaters. The Jueyameyn chain, which owned two playhouses, rapidly acquired three more. The Brandt Organization spent \$850,000 to convert two of its Times Square movie theaters, the New Apollo and the Rialto, into playhouses. Today, four of the Jueyameyn houses are dark. Of the two Brandt playhouses, the New Apollo has been dark since Lanford Wilson's "Fifth of July" closed last January, and the Rialto is showing Kung Fu movies.

Twenty-three productions have opened this season, but only 9 are still running. Thirteen shows on the boards are holdovers from previous seasons. The league forecasts 42 productions this season, as against 48 last season and 61 the previous year.

Musicals, which are the economic lifeblood of the industry, are having a particularly rough time. Of the seven musicals that opened this season, only "Cats" is still playing, and it is the season's only commercial blockbuster. One of the spectacular failures this season was "A Doll's Life," the \$4-million musical that had a book and lyrics by Betty Comden and Adolph Green. It received poor reviews and lasted three days.

At the moment, only one new musical, "My One and Only," is in rehearsal for the second part of the season. This is a new version of

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TRAVEL

Restaurants: Best in Paris

Continued from page 7W

quette attracted attention some years ago, the dining room was rearranged.

Tailleur, 15 Rue Lamennais, Paris 8, tel: 561.12.90. Closed Saturday, Sunday and holidays third week of July to third week of August. No credit cards. Average cost of meal: 350 francs a person. Reserve a month in advance for dinner, a week in advance for lunch.

Le Grand Vefour. If Tailleur personifies the dignified, refined French life, then Grand Vefour typifies the gaiety of the Paris world of writers and politicians, historians and artists. There, in a classic red, white and black bistro dating to 1760, Napoleon and Josephine are said to have dined, and later so did Victor Hugo, Colette and Jean Cocteau, whose drawing still graces the menu cover.

The two bright little dining rooms give out onto the Palais Royal garden, and in the afternoon birds alight on the open, white-curtained windows. There are just 16 tables, many with brass plaques indicating who sat where, and each can be reserved. Some tables are nestled in the corners for moderately intimate dining, others surrounded by red velvet banquettes for a larger group. Many of the waiters have worked at Grand Vefour for 25 years or more, and that's to the client's advantage. Service is professional, of the attentive, old-fashioned variety.

Grand Vefour's creator is 73-year-old Raymond Oliver, one of France's best-known and most-distinguished culinary stars. He still dines there every day at lunch, taking time to pass each table for a chat or a simple hello.

The food at Grand Vefour is classic and correct, not intended to astonish or surprise. It's also one of the few grand restaurants where you'd feel perfectly comfortable sitting where a mixed salad and grilled steak with your solid bottle of old Bordeaux. Among the notable dishes are *soufflé de grenouilles*, a frog-leg soufflé that arrives steaming from the tiny kitchen below, the *côte d'agneau Albarine*, perfectly rose lamb chops served with a gratinée of potatoes and a duo of vegetable purées as well as seasonal fruits.

Women are treated as well as regular male patrons, a distinction that can't be given to many Paris restaurants. The wine list is well-chosen and moderately priced, and if the sommelier is pleased with your choice, his eyes light up so you almost want to invite him to sit down and sample the wine with you.

La Grand Vefour, 17 rue du Beaulieu, Paris 1, tel: 296.56.27. Closed Saturday evening, Sunday and August. No credit cards. Average bill 300 francs a person. Reserve a week in advance for dinner, the same day for lunch.

L'Archevêque. Few Paris restaurants are as controversial as L'Archevêque. I've never been able to leave Alain Senderens's temple

to cuisine without my stomach churning with anger. The problem most diners face is not the food, but the attitude: querulous and pretentious.

If you pay more attention to your dinner conversation than to what's on your plate the waiter pouts. If the sommelier does not approve of your wine selection, he'll wear you down with contentiousness until you cave in and let him have his way. Ask for a simple salad, and the waiter informs you that "One does not come to L'Archevêque for a simple salad." In short, the excellence of the kitchen is frequently undermined by the attitude that the restaurant exists as a showcase for the chef and his staff, not for the pleasure of those dining.

Senderens goes to great pains to make the food perfect. He bakes his own bread with specially selected flour, twice a day. He makes his own chocolates and yet says, frankly, he doesn't think most diners notice and/or really care. Annually, he visits the Michelin offices to discuss any shortcomings that have come to the guide's attention during the year. He considers his restaurant the haute couture of food, yet says that he could make twice as much money if he opened a simple bistro.

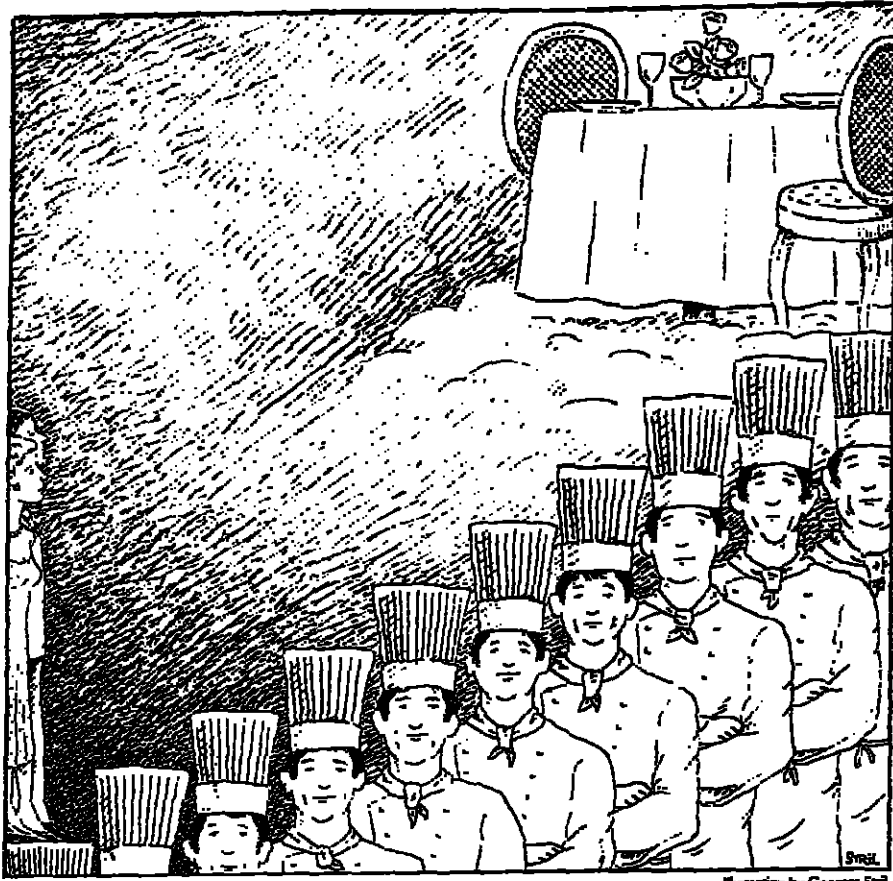
L'Archevêque is the newest of the Paris three-stars, and the smallest. There's a single tiny, elegant dining room decorated in shades of chocolate brown and terra cotta, with contemporary cane wallpaper. With a kitchen staff of 14 and a total staff of 30, Senderens serves about 30 diners for lunch, 50 for dinner. Eighty percent of those who dine at L'Archevêque order the *menu dégustation*, priced at 335 francs for four courses, and 390 francs for five, plus cheese and dessert.

Senderens is scholarly and his food is personal and utterly nouvelle. Some diners complain that it's "too Chinese," with lots of unfamiliar spices, and that portions are too small. Whatever one's opinion, dining at L'Archevêque is always a culinary surprise. The menu changes often and follows the seasons. Excellent dishes include the *salade de ris de veau*, a colorful sweetbread salad that combines artichoke hearts, leeks and red peppers with a shower of fresh coriander and parsley; the *morue fraîche rôtie* or fresh cod combined with eggplant purée and tiny, deep-fried jubeine of zucchini; and a bittersweet chocolate cake.

The wine list offers no bargains.

L'Archevêque, 84 Rue de Valenciennes, Paris 7, tel: 551.47.33. Closed Saturday and Sunday, first three weeks of August and Christmas week. Credit Card: American Express. Average bill 500 francs a person. Reserve two weeks in advance for dinner, the same day for lunch.

Tour d'Argent. If you stopped a stranger in Paris and asked him to name the city's most famous restaurant, chances are he would say the Tour d'Argent. He might also know



that the specialty of the house is duck and that the view from the penthouse dining room overlooking Notre Dame is among the most coveted in Paris.

The owner, Claude Terrail, is as much a bon vivant, raconteur, actor and politician as he is a restaurateur. Terrail compares the Tour d'Argent to the Seine, Notre Dame and the Louvre, and views them all as public monuments. He says little about the food, and neither do those who dine there.

Last year Tour d'Argent celebrated its 400th anniversary with a series of special-invitation dinners. Guests began the evenings with a boat ride along the Seine and a brilliant fireworks display over Notre Dame closed the evening. The guests included an international array of politicians, restaurateurs, actors and journalists, with menus for each of the five dinners pegged to a historic event. The first dinner was dedicated to Henri III, who is said to have dined at La Tour in 1582. The evening included a remarkable seven-course dinner, accompanied by such wines as 1959 vintage Châteaux Margaux, Mouton-Rothschild, Latour and Haut-Brion, as well as Laurent Perrier and Château d'Yquem from the same year.

Tour d'Argent is extremely popular with Americans, and on a given night you can hear more English than French spoken in the spacious, traditionally decorated blue-and-gold dining room.

"Some people write six to eight months in advance of a visit and say that they never come to Paris without dining here, and that their first or their last meal in France is always taken at La Tour d'Argent," says Terrail. The restaurant, in fact, has a full-time employee who does nothing but handle correspondence for reservations.

The makeup of the 150 people who dine there each day is remarkable. Presidents and ambassadors, company presidents and politicians come to get away from boardrooms and meetings, to gaze out across the Seine and share a great bottle of Burgundy or Bordeaux from the restaurant's famous cellar.

The question of the "best table" — the one with the clearest, most direct view of Notre Dame — is probably the only one that makes Terrail a bit twitchy. "I've solved it by never coming down for lunch or dinner until everyone has been seated. This way even my friends can't blame me when they don't get what they think is the best table," he says with a laugh.

Many changes have been made during the last year. The chef of some 15 years was let go last summer and replaced by 30-year-old Dominique Bouchet, who brought with him his own staff of 20. The number of offerings on the menu has been substantially reduced and more dishes come straight from the kitchen to the table without all the dining room fanfare, but these are only surface changes. Duck — one of 450 they serve each week — is still the dish to order, along with the *pommes soufflées*.

Other recommended dishes are the *parade de la mer*, a mixed fish and seafood salad, and the *marquise au chocolat*, sauce café, chocolate cake with coffee sauce.

Restaurant de la Tour d'Argent, 15 Quai de la Tourneffe, Paris 5, tel: 354.23.31. Closed Monday. Credit Card: American Express and Diners Club. Average bill 350 francs a person. Reserve two weeks in advance for dinner, the same day for lunch.

Lasserre. To understand Lasserre, you have to understand old France, its obsession with tradition, its pride in being a society of privilege. To love Lasserre, you have to be in accord with traditional cuisine that is not only slow to change but doesn't believe it ought to. You also have to feel comfortable with a décor that comes on strong: not a centimeter left untouched by crystal and silver, flowers, gilded knickknacks, heavy upholstery, flocked wallpaper and draperies.

Lasserre fits the image of one man, René Lasserre, who built the restaurant across from the Grand Palais in 1945 with the intention of creating a grand and classic restaurant that could only be defined as deluxe. The sliding ceiling — a mural-covered rooftop that opens to the sky, revealing trellised greenery — came later, in 1952.

Today Lasserre remains the most classic of the Paris three-stars in décor, cuisine and performance, and for that reason some find it faded and past its prime. Still, one can enjoy a most tranquil lunch, attended by a crew of chatty waiters and sommeliers who seem to be having a very good time themselves. Service is old-fashioned — that is, the final preparation of most dishes takes place tableside, adding to the ultimate theater.

At lunch, the roof opens only momentarily, perhaps half-a-dozen times during the meal, since the sunlight and heat can distract diners seated in the sunken portion of the dining room below. In good weather, the roof remains open throughout the evening meal, when live piano music is added.

The menu is heavy on foie gras and caviar, truffles and classic sauces, though it is long and among the most varied of the grand Paris restaurants. Two first-course terrines — one of crab and another of eel — are worthy starters, as is the *salade de queues d'écrevisses*, crayfish salad, to be followed by *sole rôtie au salpê-*

con de crustacees, a simple roast sole with shellfish stuffing.

Desserts are complicated, but professional and correct. A good choice is the *timbale d'Espey-Lasserre*, an ice cream, strawberry and whipped cream creation set in a bowl of sticky ice-cream pastry and topped with caramelized angel's hair. Also recommended is the *tranche de chocolat en gelée*, chocolate ganache surrounded by sponge cake.

Lasserre, 17 Avenue Franklin D. Roosevelt, Paris 8, tel: 359.53.43. Closed Sunday, Monday and August. No credit cards. Average cost of meal: 400 francs a person at lunch and 450 at dinner. Reserve a week in advance for dinner, several days ahead for lunch.

Vivarais. Situated in a rather out-of-the-way corner of the 16th arrondissement, Vivarais is perhaps the most unusual and least celebrated of the Paris three-stars. The chef-owner, Claude Peyrot, is a disciple of the late Fernand Point, the father of contemporary French cuisine. Peyrot is considered by his peers to be a genius in the kitchen, although that special talent does not always translate to the dining room.

Nonetheless, one should have a perfectly good, though perhaps uneven, experience here. The light, contemporary dining room — all grays and whites and burgundies with white Knoll chairs and modern artwork — is an anomaly in France, where the salon is usually a shower of flowers, heavy draperies, carpeting and upholstery and a flourish of serious tableware.

The overall effect is unimpressive and anyone should feel quite at home. To dine at Vivarais is to understand what Point was after: Contemporary French food must be linked to the classics, but the overall effect should be light. One does not leave Vivarais with a woozy, overstimulated feeling.

The best dishes sampled include a platter of warm oysters on a bed of spinach, alight in a lightly curried sauce, and *baron de porc*, a light, bright and creamy dish that blends red peppers, cream and a touch of gelatin. The *baron* arrives in a pool of fresh tomato coulis, with a flourish of fresh spinach.

Several other dishes lack authority, although the diner will find a perfectly simple *poularde bretonne au vinaigre*, a fattened female chicken in a light vinegar sauce. Desserts receive rather little attention.

Vivarais, 192 Avenue Victor Hugo, Paris 16, tel: 504.04.31. Closed Saturday, Sunday and holidays plus August. Credit Card: American Express, Diners Club and Visa, but credit cards are not accepted for the 150-franc lunch. Average bill about 300 francs a person. Reserve the same day or a few days in advance for dinner; reservations are not essential for lunch. ©1983 The New York Times

INTERNATIONAL DATEBOOK

AUSTRIA

VIENNA, Burgkapelle — Jan. 9, 16, 23, 30: Mass with the Vienna Boys Choir and members of the Hofmusik-kapelle.

Konzerthaus (tel: 72.12.11). Grosser Saal — Jan. 13: ORF Symphony Orchestra, Gerd Albrecht conductor (Berlioz, Ligeti). Mozart Saal — Jan. 12: Vienna Trio, (Villa-Lobos, Beethoven, Donizetti).

Joplin, Gershwin, Rinsky-Korsakov. Schubert Saal — Jan. 12: Monika Maier piano, Michael Hell cello (Stravinsky, Debussy, Strauss).

Jan. 13: Margareth May piano (Mozart, Schumann, Chopin). Musikverein (tel: 65.81.90) — Jan. 9: Klara Flieger violin, Leonore Müller piano (Brahms, Mozart, Bartók).

Jan. 10: Alexander Jenner piano (Mendelssohn, Schumann, Debussy, Liszt). To April 10: "Edo: Art of Japan 17th-19th Century." Burgh House (New End Sq. NW3). EXHIBITION — Jan. 8-Feb. 27: "Kate Greenaway. A Hampstead Artist." Earls Court — To Jan. 16: London International Book Show. Kensington Town Hall (Horton St. W8) — Jan. 13-16: West London Antiques Fair. New London Theatre (tel: 405.00.72). MUSICAL — To July: "Cats" (Webber). Queen's Gallery (Buckingham Palace Rd. SW1) — "Kings and Queens." Royal Academy of Arts (tel: 734.34.71) — To Jan. 23: "Treasures of Ancient Nigeria: Legacy of 2000 Years." Royal Opera House (tel: 240.10.66). Royal Ballet — Jan. 10, 13, 15, 18: "Cinderella" (Prokofiev) Ashley Lawrence conductor. Frederick Ashton choreography. Jan. 12: "Konservatorium: The Tempest." Raymond Act III. Royal Opera — Jan. 8: "The Marriage of Figaro" (Mozart) Leopold Hager conductor. Jan. 11, 14, 17, 20, 26: "Samson and Delilah" (Saint-Saëns) Georges Pretre conductor. Sadlers Wells Theatre (tel: 278.89.16). Sadlers Wells Royal Ballet — Jan. 7, 8, 10: "Les Sylphides." "Pas de Légendes." "Five Tango's." La Boutique Fantastique. Jan. 12: "The Swan of Tuonela." Jan. 14 and 15: "Paquita." "The Two Pigeons." Tate Gallery (tel: 821.13.13) — To June 12: "Turner's Color Studies." Theatre Royal Drury Lane (tel: 265.81.08) — Through Jan. 25: "The Pirates of Penzance" (Gilbert and Sullivan). Hagen Concert. Jan. 11, 14, 17, 20, 26: "Samson and Delilah" (Saint-Saëns) Georges Pretre conductor. Sadlers Wells Theatre (tel: 278.89.16). Sadlers Wells Royal Ballet — Jan. 7, 8, 10: "Les Sylphides." "Pas de Légendes." "Five Tango's." La Boutique Fantastique. Jan. 12: "The Swan of Tuonela." Jan. 14 and 15: "Paquita." "The Two Pigeons." Tate Gallery (tel: 821.13.13) — To June 12: "Turner's Color Studies." Theatre Royal Drury Lane (tel: 265.81.08) — Through Jan. 25: "The Pirates of Penzance" (Gilbert and Sullivan). Hagen Concert. 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TRAVEL

In Bangkok, the Weather's Fine

by Colin Campbell

BANGKOK — The parrots are shivering in their cages. The normally sweltering city of Bangkok has been so temperate for weeks that people have actually been wearing sweaters. The sky is Thai-silk blue, the stars come out at night and the city's traffic (which at other times of the year is like getting stuck in a tunnel on the world's hottest Labor Day weekend) is relatively bearable. The rainy season has ended. Good weather should last deep into February, and its significance for the visitor cannot be exaggerated. It means you can walk.

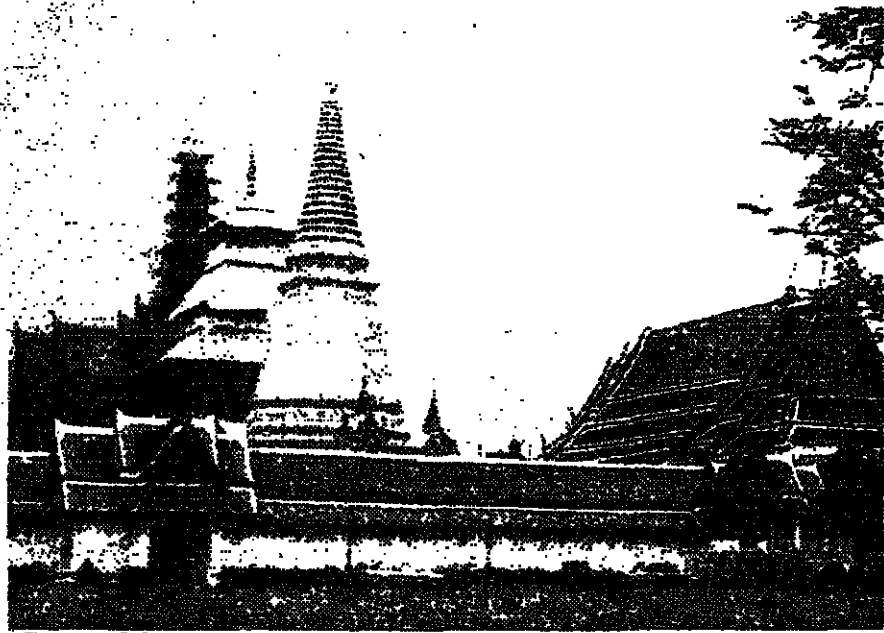
Temples display the opulence and detail they're meant to display, gardens are at their brightest. Everyone seems more cheerful. And since 1982 was the 250th anniversary of the present Chakri Kings and their capital, Bangkok, the finest monuments have been restored.

Bangkok is such a sprawling, slow-driving, frequently ugly city that it's prudent to assume that once you get somewhere you should stay in the neighborhood a while. The area around the Grand Palace, with its famous wats (shrines and monasteries, rather than the common translation, temples) is a good example. There is the Chakri's Grand Palace and Wat Phra Keo (Temple of the Emerald Buddha). The enclosure is open daily, although the palace is only open on weekends. Across the street is the temple of the 160-foot-long reclining Buddha, Wat Po (open daily). The superb National Museum (closed Monday and Friday) on Naprasit Road is Southeast Asia's largest, and traces the history of the area, starting with Bronze Age artifacts dating back to 4000 B.C.

Next door, another worthy target is Thammasat University. The area covers much of the eastward bulge of Bangkok along the Chao Phraya River. It would be impossible to see it all even in several trips, but it's there for the choosing, and walkable.

As early as February, the kite-flying season begins on the public field called Pramane Ground, where daring "male" kites and steady "female" kites battle for mastery. King Rama V of Thailand is said to have standardized the rules of kite-fighting in 1905. Less often seen by visitors is a market behind Thammasat University where "Thai rent" Buddhist amulets to ward off evil and to bring success.

Wat Phra Jettipon, or Wat Po as it is more commonly known, is not only Bangkok's most extensive Buddhist shrine but also a center for



Spires of the Grand Palace.

traditional medicine, and older than the Chakri dynasty. Less dazzling than Wat Phra Keo, in many ways it is much livelier, with lots of peddlers around.

The Chao Phraya River is the most refreshing way to travel north and south within the city. It is full of tugs, launches and broad-bellied wooden barges with painted eyes. Magnificent wats line the banks, notably Wat Arun, the Temple of the Dawn, on the Thonburi side. From the main riverboat landing next to the Oriental Hotel, the visitor can take a water taxi, or rent a motorboat, and putter north a few stops to Ratchawong landing, the traditional entrance to Chinatown, but not the way most people arrive. It is also possible to stop at docks near the Grand Palace. Water taxis cost the bait equivalent of about 25 cents for the whole distance. A motorboat with swivel seats for less than the bait equivalent of \$7 an hour and holds 10 to 15 people.

Beyond the river banks, largely on the Thonburi side, are the remaining klongs, miles of canals filled with all the life and death of traditional Thailand: orchid farms, people bathing in the streams, water buffaloes, wats among the palms, children waiting for water buses to take them to school, shops selling rice and servicing outdoor motors, pretentious villas.

Thousands of tourists visit the famous early-morning floating market, but an alternative is to take several hours in the afternoon and go much farther west, by water. Ask room service at your hotel to pack a lunch for you, or be ready to buy what you see cooking on floating charcoal braziers along the way. Go to the Oriental Hotel landing, hire one of the smaller, narrower long-tailed boats, which can peacefully negotiate the tiniest canals, and tell the boatman you want to go way, way into the world on the other side, toward Burma. The price, about \$7 an hour, should be negotiated in advance.

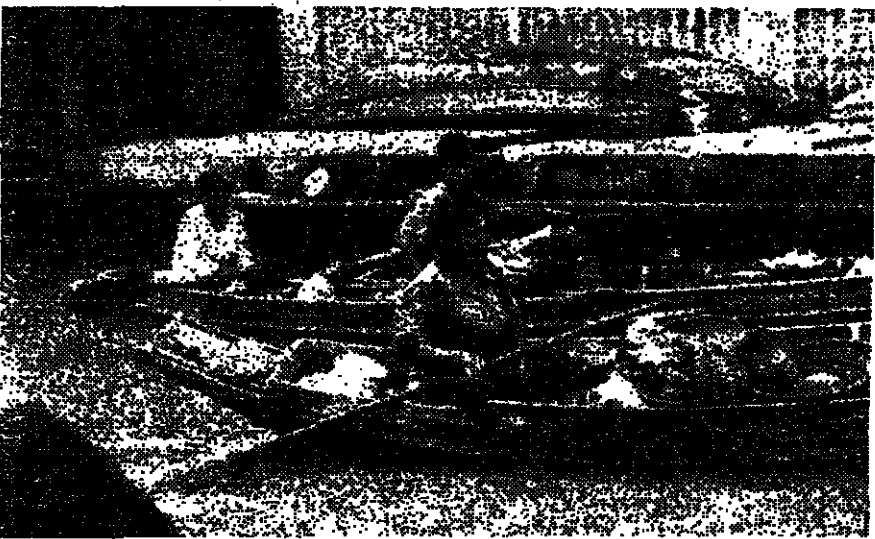
Four new first-class hotels are opening, and when the rooms are ready, there will be more than anyone will be able to use. Hotel managers say that room prices may then drop and that hotel staffs may start jumping around, with unpredictable effects on service. By this time next year, the entire hotel picture may have changed.

The most famous deluxe hotel will still be the Oriental, which overlooks the Chao Phraya River. Although its 19th-century core offers suites as small as \$635, it has a modest tower and a taller, newer tower, with rates from \$109 to \$145 for a double. Other deluxe hotels include the Dusit Thani (\$83 to \$90 for a single, \$101 to \$110 for a double) and the Siam Inter-Continental (\$78 and \$96 single, \$91 and \$104 double). Montien is a lively spot downtown (\$73 single, \$81 double).

The older Erawan (\$60 single, \$65 double) has the most devoted clientele, and is next door to the popular Erawan Shrine, where pedestrians stop off a hideously busy street corner and offer flowers, food, joss sticks, dances, prayers, gold leaf, carved animals and dolls in hopes of having their wishes come true.

There are dozens of comfortable hotels, including the Asia and the Manohra (each about \$45 for a double) and hundreds of cheaper places. (Tax and service charge, totaling about 25 percent, are additional to all prices quoted.) For more information contact the Tourist Authority of Thailand, 4 Rajadamnern Nok Avenue, Bangkok 10100 (tel: 282-1143).

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At a floating market near Bangkok.

Heavy Weather at a Lighthouse

by John Platano

DRY TORTUGAS LIGHTHOUSE, Florida — When darkness comes and Petty Officer 1st Class Ronald Mauldin climbs the 226 stairs to the top of this 124-year-old island sentry, he feels the loneliness of island duty and longs for his wife and two young daughters.

"It's good duty, but it gets old after a while," says the bearded, 33-year-old Mauldin, who has been stationed at Coast Guard Light Station Dry Tortugas for the last 17 months. "One more month," he says with a smile, "and I'll be transferred."

From offshore, Loggerhead Key — a mile long and about 700 feet wide — resembles an uninhabited tropical island encircled by a white, sandy beach. It changes little after one steps onto the single small dock at mid-island, where the brick lighthouse is situated. Nearby is a modern three-bedroom house for Mauldin and the four other men assigned here. These are the only permanent residents at this Coast Guard station lighting up the rocky shoals of the Florida Straits, but because of rotating leaves and compensatory time off, only two or three are here at the same time.

Those pulling lighthouse duty on this furthest island of the Florida Keys, 70 miles west of Key West in the Gulf of Mexico, are provided all the amenities for normal living with one blatant omission: "Women," emphasizes Boatswain Mate 3d Class Mike Hoban as he gazes out the kitchen window toward a passing yacht and fantasizes about his next shore leave.

Military discipline, routine and regimentation are relaxed somewhat for those selected to spend 18 months on this 16-acre island. The men usually are on duty 12 or 24 hours at a time.

"We provide aids to navigation. That's our primary duty," says Mauldin, a career coast-guardian. "We maintain the light which is on from sundown to sunrise as a landmark for mariners, a radio beacon for ships and aircraft and we monitor the emergency Channel 16 on VHF and Channel 9 on CB radio." The beacon flashes every 20 seconds and while it is designed to send its ray of light 26 miles, Mauldin reports some ships have seen it as far away as 40 miles.

Every three hours, weather conditions at the island are radioed to Key West for National Weather Service and military broadcasts. Other duties include maintaining the rotating beacon and three generators that provide electricity for the lighthouse, fuel and water pumps, their home, radio sets and several small utility buildings on the island. And, as at any military installation, grounds and quarters must be kept shipshape.

As officer in charge of the installation, Mauldin prepares a weekly roster and delegates chores. These may include painting, mowing the lawn between the lighthouse and buildings or working on expansion projects such as finishing a small recreation building. Maintenance on a small whaler at dockside is another routine duty.

While the five enlisted men have specialized fields, each knows everyone's duties so they can fill in regardless of who is away.

The absence of a feminine touch is apparent throughout the house. There are no adorning flowers, knickknacks or pictures. Dust is found in room corners and under living room furniture.

The most unpopular assignments for these men are cooking and housework. Any visitor who admits knowing anything about cooking is commandeered into service. "We get so tired

of our own cooking," laments Hoban. A big treat for the men here is when a pleasure craft anchors nearby and they are invited aboard for a meal, he adds.

Their roomy kitchen would be the envy of any homemaker. It's complete with large electric stove and oven, dishwasher, ice maker, microwave oven, garbage compactor, commercial-type refrigerator, two large freezers and a washer and dryer.

The five men pool \$100 each per month for food. They prepare a weekly grocery list, which is taken to Key West every Thursday by a U.S. Park Service boat that brings supplies to seven employees who maintain Fort Jefferson, a national monument on Garden Key two miles east of the lighthouse. A Key West supermarket fills their order and sends it back on the boat's return the following Tuesday. Fresh water and fuel are brought monthly by a Coast Guard vessel and stored in huge tanks.

Off-duty hours become laborious after a time for those stationed here. "We snorkel, fish, sunbathe and exercise," explains Mauldin, but most of their spare time is spent in the small living room reading, watching television or viewing taped movies on a video recorder. A couple of X-rated movies are included in their film exchange program.

"Sometimes, whoever is off duty goes over to the fort and visits with the Park Service people or some of them come over here," adds Hoban.

Visitors are always welcome to this Coast Guard installation although the only way to get here is by boat. It's possible to fly to Fort Jefferson by seaplane from Key West and then hitch a ride across the two miles of water to the lighthouse.

"All we ask is that they call us on the radio and tell us they are coming," says Mauldin. ■

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Sweet Nothings in Belize

by Alma Guillermoprieto

BELIZE CITY — The rich Canadian couple registering at the desk of Belize City's staunchly pukka sahib Fort George Hotel were perfect. From her blonde hair pulled into a shining knot at the nape, to his long legs offset by khaki shorts, to their eight pieces of glove leather luggage, nothing was flawed.

I was intrigued. Few people visit this steaming Caribbean-side city without an overriding need, and for good reason: a list of the ways in which the capital of the former British Honduras is awful would fill a small notebook. I was there to cover the final talks for Belize's independence from Britain, granted two years ago, but the beautiful man and woman in their 50s did not look like reporters.

"What are you doing here?" I asked. "We've come to dive at the keys," she answered. "Some people say it's the best diving in the world."

A week later they were back in the sweaty mud streets of Belize City. I came up as they were lowering their golden bodies into a chauffeured car and asked them how the diving had gone. "You know, it's really a shame we went to the South Pacific first," he said. "If we hadn't, we would have thought this was perfection."

The Belize keys are part of the second largest coral reef chain in the world, second only to the South Pacific's. From the air, flying in from Honduras, Mexico or Miami, they shimmer like chunks of mother-of-pearl. The gleaming waters are white around each island's edge, turquoise where the sand plunges into the ocean, and an iridescent, biting green at the depths. I had flown over them many times and never felt the urge to visit before, convinced that such magic must surely dissipate at close hand.

The Vancouver couple changed my thinking. A friend and I inquired of the stern receptionist at the Fort George how to get to a key. She listed the multiple hotels of Key Ambergris and the sole hotel in Key Chapel. Maya Airways flew out to the keys daily, but, we explained, the \$30 fare each was beyond our means. She softened. "Go to Key Caulker. Get one of the market motorboats to take you out there."

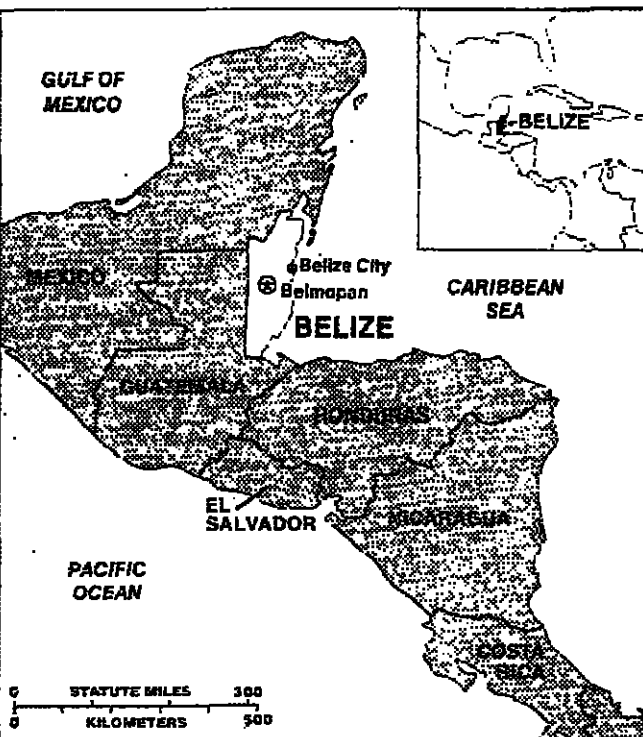
The market sits on the edge of Belize City's largest canal and reeks of the sewage that floats in it. The canals are the city's garbage dump and sewer system, and from the oceanfront windows of the Fort George one can see the brown band of water licking the city's edges where the refuse spews into the ocean.

A dreadlocked Rastafarian sitting on the docks near the market bargained at length with us, finally settling on a price of \$40 for both of us for the day trip out and back. We did not know we were paying for what felt like a gallop over the ocean on a wild careening horse. For endless minutes we held on desperately to a rope tied to the motorboat's prow as it slapped up and down over the rolling turquoise sea, catching our breath and rubbing our coccyges every time the onerous motor gapped and shuddered to a halt. My friend grew bright pink under the Caribbean sun. My mouth was dry. Our guide was steadfastly silent.

The waves stopped as abruptly as a cliff's edge. For the next half hour we glided over smooth glassy waters, slipping between this and that tiny mangrove-covered islet. Key Caulker appeared on the horizon when the islands gave way to what is virtually a lagoon formed by the coral reefs. I kept dipping my hand into the ocean, trying to catch its emerald green shimmer in my palm, incredulous when I brought up only transparent sparkling water. The silent tranquility in the air was breathtaking. The guide, previously sullen, smiled and relaxed as he doctored the beach.

Key Caulker is a flat stretch of white sand inhabited by palm trees. Maya fishermen from the Yucatan who have come here to fish for lobster, and a small semipermanent population of leftover hippies caught in a 1960s time warp. Watching them and the fishermen amble between the palm-thatched houses and pensions and the nearest cold-beer-and-lobster bar I felt years of fatigue catching up with me, an overwhelming urge to be in the shade of a palm tree and think about nothing. My friend and I stumbled to two motorboats beached in a coconut grove, lay down in them and fell instantly asleep.

A breeze woke me. I looked up and saw the blue sky, circling pelicans and kites, the rustling tops of the palm trees, and a wrinkled brown face a few feet above mine. "We are guarding your sleep," the small man draped across the bow of the boat said in a Maya-accented Spanish. "Me and my little brother." His little brother — a large brown man in faded jeans and rubber-soled sandals — was similarly draped across my friend's berth. We surfaced to full wakefulness as the two chatted softly to each other about yesterday's catch of lobster and today's stalled motor, referring to everyone as this or that "little brother."



Lobster. The dancing red vision of it drove us to the shady slat-board bar recommended by the fishermen and kept us salivating through the eternity it took to get the only item on the menu: fried lobster sandwiches and French fries, preceded by several bottles of icy beer. The jukebox alternately played reggae and syrupy Mexican boleros, reflecting the mix in Belize's population: the black migrants from the Caribbean islands and the Maya peasants from the north. When the reggae played, the restaurant's owner hopped with his friends. When the boleros played, two Mexicans drinking beer in a corner looked mournful, then played the song again. The fragrance of seafood drifted in from the kitchen, followed at last by two heaped plates.

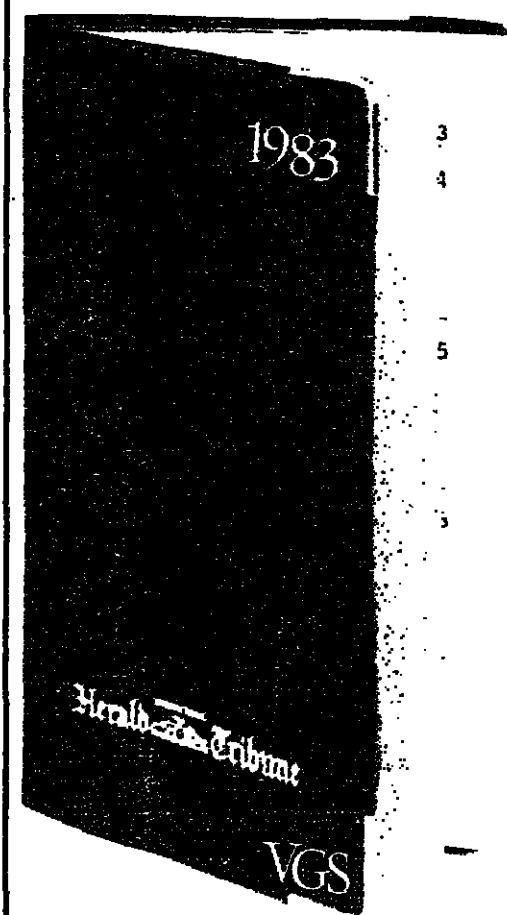
The lobster was delicious. The French fries were delicious. The beer was delicious. The second nap of the day, on hammocks swinging on the beach, was delicious. The endless swim in the smooth water was delicious. Life, suddenly, after months of tension and rush, was nothing but delight. For the rest of our far-too-short stay on the key we swam and sunned and strolled and loafed more easily than I can remember doing on any other beach.

Boutiques and cafés and other places to be seen, to spend money and otherwise get distracted are nonexistent in both Key Caulker and Key Chapel, where we later stopped briefly. There's not even the traditional magazine, aspirin and cigarette hotel stand where most of us waste an entire morning on the third or fourth day of a vacation in search of that consumer fix. When we left the key that afternoon for the Fort George, I promised myself I would return at least once in my life for a week at Key Caulker.

There are vacations for the enterprising and vacations for the lazy. The coral reefs of Belize are places where you can dream and be slothful and dress for dinner in a T-shirt and shorts. If you must, there is always the diving, repeatedly reported as among the best in the Caribbean. If you can afford it, there are the hotels in Key Ambergris or San Pedro, which provide comfortable lodgings and an imitation of resort activity (dancing, pretentious cooking) for the equivalent of about \$80 a night.

If you can't afford that, there is Key Caulker, with coos lined up in palm-thatched, two-story "hotels" (bring plenty of mosquito repellent), and fried lobster sandwiches with Tabasco sauce and cold beer for lunch. Bring along a friend. Do nothing. Observe your toes and trickle sand over them. Start a novel. Dance to the jukebox music in one of the two bars. Do not think about returning to your high-powered job on the fast track. Do not think.

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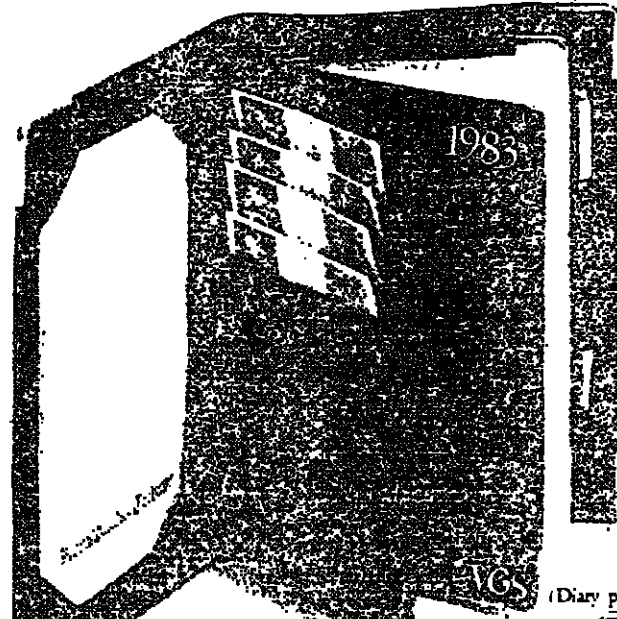
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IMPORTANT NOTICE
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READERS

A Goad to Asian Artists

by Vicky Elliott

SINGAPORE — In SoHo, Bond Street or the Faubourg Saint-Honoré, an art dealer belongs to a clan and knows his territorial limits, tending away the artists who arrive at his door. But in Singapore there is no artists' row or ground rules. The art market has different problems.

"They say the artists need support," says Marjorie Chu, "but if you ask me, the artist needs a rod." She makes no bones about it with the painters and lithographers whose work she sells with a fierce determination and a good dose of Chinese business flair. "I tell them, 'You choose your profession, so why don't you get on with it?'" she continues, unabashed. "Here I am trying to promote art as an investment, but how can you have an investment if you haven't got a commodity?"

Singapore can afford to buy almost anything for itself, but in the recent boom, art hasn't come very high up on the shopping list. In the batteries of its shopping centers, there is usually an art gallery of sorts wedged in between the gadgets and the swatches of Thai silk and batik, but Chu's Raya Gallery is known now for offering rather more. Chu, born in Shanghai in 1940 and brought up in China and Singapore, has made her business to bring modern art to a city that has no great tradition of artistic patronage.

The first woman to graduate from the Singapore School of Accounting, she set up her gallery in 1972. She is seen in the right circles and was voted one of Singapore's 10 best-dressed women last year, but doesn't care to bask on this. "If you said to me, 'one of the characters of Singapore,' I might agree with you," she says cheerfully, "but best-dressed woman is not something that I like to admit."

Last February, at the National Museum's Art Gallery, Chu organized an exhibition, "New Formal 1982," that presented the recent works of five local artists and was something of a landmark on the art scene here. Chu hoped to be able to follow it up on a regular basis but she had to chivy and cajole her stable of artists to get "New Formal" off the ground. Tow Eng, a young artist who produces textile wall hangings, announced, for example, that three of the five pieces hanging in the show were not for sale; Chu began to wonder how she would recoup her costs.

At present, she has her hands full keeping her artists busy and giving them helpful hints. "I work long hours six days a week," she says, suggesting that they might do so too. She tells them not to give her "all this Cinerama" ("No artist will concentrate on a small piece") and, for inspiration, she "carries them to the car park" above the gallery to look out at the red tiled roofs of Singapore's last traditional houses.

She had been eyeing an exquisite little row house on Emerald Hill Road as a gallery location, a street that in Washington or London, she says, would have been colonized long ago by the chic and arty. But the government had earmarked the houses for residential use, and she had to settle for a pitch in the Specialist's Center on Orchard Road, Singapore's main commercial thoroughfare.

Shopping here is like gambling in Reno, and shoppers aren't very imaginative. "You have to put your art gallery right under their noses," she says.

Chu travels through Southeast Asia to find her artists, embarking on what she calls "a

long courtship." "I sell with better conviction because I know them," she says, launching into a description of their various particularities. ("You see, I do a very good selling job.")

Her Thai artists are very Buddhist, technically sophisticated and disciplined; the Filipinos are angrier, looser in style and mood. The Chinese of Singapore often use the flat surfaces and two-dimensional effects they have inherited from traditional Chinese painting. She gives them short shrift, half-meaning it. "They're very flat people. I don't think they ever have such a thing as a personal statement."

Their abstracts are often strikingly good, but it is the paintings with the recognizably Chinese accent that go down best with today's art patrons, the banks and the multinationals. Large watercolors of Chinatown are snapped up to adorn executive offices, but from there on it is all uphill. Chu often collaborates with designers. "They have to fight like mad," she says. "The orders are 'nothing modern.' They don't even want to look."

"All those watercolors of orchids" leave Chu cold, but she doesn't rule out local color. There are some striking watercolors of Chinese opera characters in the gallery ("They're good," she comments, "but she always runs out of space.") She also carries some paintings by Tay Bak Koi, who once sold crabs in the market to earn his keep, but who now paints angular buffaloes and paddy and conical Chinese hats and was commissioned by Athena Reproductions to produce a series of eight paintings that will be retailed around the world as posters.

Some of the bigger firms come to her asking for so many square feet of painting in so many colors, and Chu sends them packing. "I just don't deal with people like that, they don't speak the same language," she says. "They still have the trader mentality of using art as decoration."

Most of Singapore's population migrated from the Chinese mainland and doesn't have the tradition of patronage of a country like Thailand, whose royal court was always a source of commissions, or even the Philippines, where the old families used to build personal collections of paintings.

Still, Chu has to deal with the big catering chains and the corporations to earn her bread and butter, and she knows her market well. Today, an artist from Detroit, William MacArthur Johnson, has flown down from his base in Kuala Lumpur to work on a sculpture that will complete a sumptuous decorating job commissioned by a Chinese businessman. Chu is enthusiastic about his delicate paper sculptures, but feels they may be a little beyond her public. She advises him to bring down his original figure. "People just aren't used to paying New York prices here," she says.

He came to the tropics and expected to find an explosion of color; his early works were in fiery oranges and crimson. "Think ice cream," Chu tells him. The prevailing wind in Singapore has blown in subtle grays and beiges, muted colors with perhaps an accent here or there of something more adventurous. The painter is wearing a shocking pink T-shirt, but has toned down his earlier enthusiasms. His newest sculpture, "Pollination," is in cinnamon red, white, and high-gloss black.

Color is only one of the things Chu has to contend with. There is also the tropical climate, a restorer's nightmare. Oils take longer to dry in the humid heat; glue doesn't stick and cloth and paper mildew — "Black first,"



Marjorie Chu.

says Chu, "just as our black cloth shoes are always the first to go." A canvas rolled up in tissue paper will sometimes stick to it; acrylic, says Chu, stands the tropics best.

Framing prints is another problem. No good craftsman would dream of gluing them to the support, and they have to be backed with rag paper on acid-free museum board that, Chu says, costs the earth. In the heat they tend to slip. "I'm very delighted that the prints slip," she says, "but my clients can't always see the humor in it."

In the last analysis, Chu knows where her priorities lie. "Someone came to me the other day and asked how they could sell a painting inside glass, to preserve it. I told them: 'My idea is to exhibit a painting, not to preserve it.'"

Meanwhile, the artists keep bringing things in. "They sit there and wait for things to happen, and we sit here and invent things to do," Chu says. A young Singaporean now living in Sydney has sent in a series of dark, intense color photos showing the back streets of his native city; a bicycle propped up against a striking background of Chinese characters; some cotton pajamas seen behind a billowing sweep of cloth at a tea stall.

Chu will brood on them for a while; whether this artist would do better with a commercial sponsor, whether she should mount an exhibition. Her commission, she says, is only 10 percent; there isn't a dealers' market in Singapore and the artists generally sell direct to the museum.

But she carries on with vigor, enjoying it all. "I tell them not to expect miracles," she says, neververse to giving a bit of good advice. "After all, there is only a great painter once every 20 years."

Thursday's NYSE Closing Prices

Tables include the nationwide prices up to the closing on Wall Street.

12 Month										12 Month										12 Month										12 Month									
High	Low	Stock	Div.	Yld.	P/E	100s	High	Low	Close	High	Low	Stock	Div.	Yld.	P/E	100s	High	Low	Close	High	Low	Stock	Div.	Yld.	P/E	100s	High	Low	Close	High	Low	Stock	Div.	Yld.	P/E	100s			
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43-28	1.52	19	8	25	39	4	37	4	37	4	37	4	37	4	37	4	37	4	37	4	37	4	37	4	37	4	37	4	37	4	37	4	37	4	37				
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43-77	1.52	19	8	25	39	4	37	4																															

BUSINESS PEOPLE

Cohen Named Chief Executive At Shearson/American Express

Shearson/American Express, the sprawling financial services group, has named Peter A. Cohen as president and chief executive officer Thursday. Mr. Cohen, 36, was vice chairman and chief operating officer of Shearson and was also a member of the board of the parent, American Express.

Sanford L. Weill, who gives up the chief executive post, will continue to serve as chairman of Shearson/American Express as well as chairman of the executive committee of American Express.

James D. Robinson 3d, chairman of American Express, said: "During the last year, while making an invaluable contribution to American Express Co., Sandy has been initiating and supporting an orderly transition at Shearson. He has established a great management team there and, under Peter's leadership, I believe the firm is poised to continue its winning tradition and profitable growth."

He added that Mr. Weill "will now be able to devote an even greater share of his time and talents to working closely with me and our management associates on companywide strategies and financial matters."

A spokeswoman for the company said that Mr. Cohen had been effectively running Shearson for the last year.

Mr. Weill added: "Peter Cohen's guidance of Shearson since he assumed operating responsibilities a year ago has been exceptional, particularly considering the volatility that characterized the business during that period."

CSFB Forms New Unit

Credit Suisse First Boston U.K. Ltd. of London has formed an investment management arm.

Through the new unit, CSFB Investment Management Ltd., the bank plans to develop its central bank, insurance company, pension fund and international corporate cash management services. "Our intention is to expand to more actively go out and develop our investment management services," said Michael J. Adams, the new company's managing director, who will also join the board of Credit Suisse First Boston Ltd.

In addition, Eric E. Gabes, deputy chairman of Credit Suisse First Boston Ltd., has been elected chairman of the new company. Richard Mitchell and Robert J. Parker have been appointed investment directors and Michael J.W. Daley investment manager.

Apple Picks New Executive

Apple Computer Inc. has appointed E. Floyd Kramme, who resigned in December as head of National Semiconductor Corp.'s computer-making unit, as executive vice president of marketing and sales.

Apple said that in his new position, Mr. Kramme will oversee worldwide sales, distribution, merchandising and market development operations. He will also chair the personal computer maker's corporate marketing council, reporting to A.C. Markula Jr., president and chief executive officer.

Mr. Kramme, 45, was one of the founders of National Semiconductor and was formerly president of the company's National Advanced Systems unit.

Retirement at Texaco

Amos M. Card, 63, has taken early retirement from his positions of executive vice president of Texaco Inc. and president of the Texaco Europe division.

Mr. Card, who has been with Texaco for 35 years, had been considered a potential successor to J.K. McKinley, the oil and gas concern's chairman. A Texaco spokesman in London said Mr. Card's successor has not been named.

Other Appointments

British Alcan Aluminum Ltd., formed by the merger of British Aluminium Co. and Alcan Aluminum (U.K.) Ltd., has named Patrick J.J. Rich as chairman. Mr. Rich is field vice president for Europe at Alcan Aluminum Ltd. of Montreal. G. Russell, formerly managing director of Alcan UK, has been named managing director and chief executive officer. S.J. Ford, formerly managing director of British Aluminium, has been appointed deputy managing director of the new company.

Marsteller International, a unit of New York-based Marsteller Inc., has named Reginald C. Bird president. Based in Geneva, he will be responsible for all of the advertising agency's operations outside the United States. Mr. Bird, previously executive vice president-Europe and general manager of Marsteller's Geneva office, succeeds Chris Norgaard, who has left the company. Marsteller Inc. is a subsidiary of Young & Rubicam Inc., New York.

Racal Electronics has formed a new company in Hong Kong, Racal-Decca Electronics (Hong Kong) Ltd., to coordinate the British-based group's sales and service activities and to develop its marine electronics business in Southeast Asia. The board of directors of the new company includes David J. Pascock, chairman; Alan Carnell, managing director; Viv Hoyle; and Brian Stewart.

Fluor Corp. has named Robert G. Williamson to the new position of regional vice president, Southeast Asia sales, of its Fluor Engineers Inc. unit. Based in Kuala Lumpur, Mr. Williamson will be responsible for all of the engineering and construction concern's offshore and onshore activities in Southeast Asia. He previously was vice president, marketing, for Fluor's ocean services division in Houston.

Chase Manhattan Bank has named Christopher Rocker country corporate manager responsible for the marketing of Chase products and services to the British corporate sector. He succeeds William Dahms, who has joined the bank's Europe area office as region credit officer for those European countries where Chase has a direct presence.

—BRENDA HAGERTY

French Lower Rates, Set Reserve Changes

PARIS — France cut interest rates and announced plans for reduced reserve requirements Thursday in a move to stimulate industry. But employers said they believe the effects will be limited.

Finance Minister Jacques Delors told a meeting of businessmen he had called on the banks, most of which are state-owned, to lower their base lending rates.

Credit Commercial de France quickly responded by announcing that beginning Friday its base rate would fall to 12% percent from 12 1/2 percent; other banks are expected to follow suit. The last cut in the rates came last November.

A spokesman for the employers' association said the cut was a step in the right direction but its effect would be limited, and further action by the government was needed to stimulate investment.

The government, facing municipal elections in March that are expected to be an important test of national opinion, has long said it wants a cautious lowering of domestic interest rates to stimulate the economy.

A cut in the interest paid on most savings deposit accounts to

7 1/2 percent from 8 1/2 percent was also announced Thursday.

A Finance Ministry statement put the base rate cut in the context of a recent decline in French money market rates.

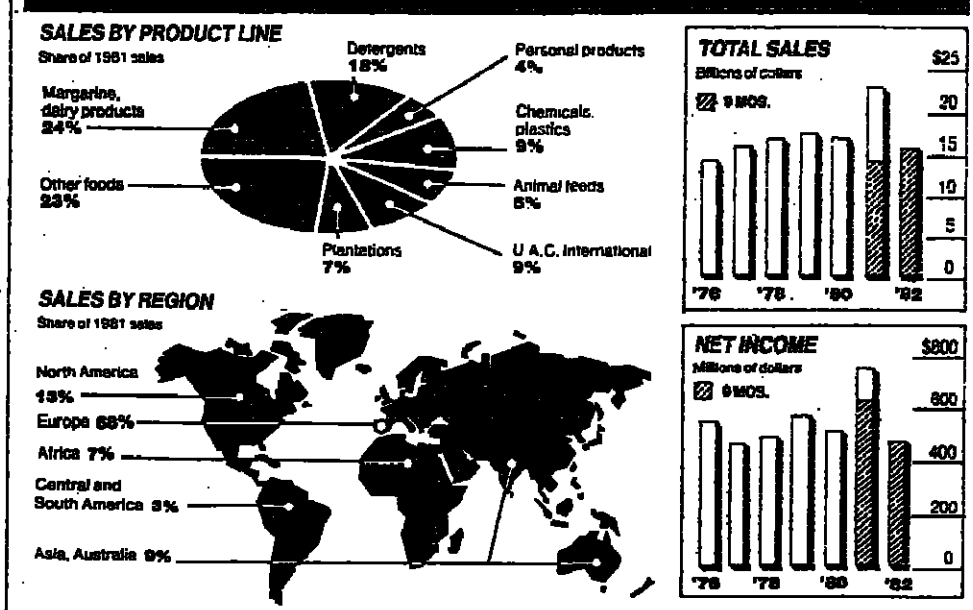
The rate on overnight loans among banks fell to 12 1/2 percent Wednesday, its lowest level since before the Socialists came to power in May 1981 and down from around 13 1/2 percent when previous base rate cuts were announced last year.

Despite declining U.S. interest rates and lower borrowing costs elsewhere in Europe, France has had to be more cautious than its trading partners in cutting interest rates because of pressure on the French franc.

As another part of its move to stimulate investment, the Finance Ministry said that within a short period of time, banks' reserve requirements would be cut, releasing around 10 billion francs (\$1.5 billion) to the banking system.

The ministry gave no date when such a reduction would be made, but said it was ready to cut reserve requirements on sight deposits to 2 1/2 percent from 4 1/2 percent.

Unilever: Profile of a Quiet Multinational Giant



Sheer Size Protects Unilever

By John Tagliabue
New York Times Service

ROTTERDAM — While the worldwide recession has buffeted European business in general, Unilever, the giant British-Dutch consumer products company, seems to be holding to a balanced, if plodding, course by virtue of its sheer size and stable management.

"We're very conscious of the risks of bureaucracy," Frans van den Hoven, chairman of the company's Dutch arm, Unilever N.V., said in a recent conversation at the company's red brick, Art Deco headquarters here. "We want the entrepreneurial element to remain. It's vital."

The need for the giant company to retain a sense of entrepreneurial dash seems likely to grow in coming months. After three years of gain, Unilever's net profit in the first nine months of 1982 fell 20 percent, to \$486 million, from \$610 million in 1981. But company executives register little concern about the decline.

Slower results this year meant "hanging on to those gains in a tough climate," observed Kenneth Durham,

chairman of the company's British arm, Unilever PLC, recalling the company's strong 1981 performance.

"Their broad geographical spread and product selection makes them fairly recession-resistant," said a West German securities analyst. The big multinational company markets thousands of brands worldwide, including such U.S. supermarket staples as Pepsodent toothpaste, Lipton tea and Wishbone salad dressings.

"It is not an exciting investment," the analyst said. "It's the kind of share you put your money in and leave there."

Both Unilever PLC and Unilever N.V. issues are traded on the New York Stock Exchange. Ranked by sales, Unilever is the world's fourth-largest corporation outside the United States. Its breadth is evident in its 500 subsidiaries, which employ 292,000 persons in 75 countries, including Lever Brothers in the United States. Roughly 34 percent of sales come from margarine and dairy products, about 18 percent from detergents and soaps and 23 percent

(Continued on Page 13, Col. 1)

Burlington Agrees With Agency On Plan to Allow Bid for El Paso

The Associated Press

WASHINGTON — The Justice Department announced Thursday it had reached an agreement with Burlington Northern of Seattle to sell off any Northern Plains coal reserves it might acquire if it succeeds in its bid to take over El Paso Co. of Houston.

The Justice Department said the divestiture would occur only if the department's antitrust division found a competitive problem in Northern Plains coal reserves, a conclusion yet to be reached.

Burlington Northern, a transportation and natural resources company, has offered \$24 a share for 25.1 million shares of El Paso stock and announced last week that 24.8 million shares had been tendered before the offer's deadline. El Paso is fighting the \$602 million Burlington tender offer in several courts.

El Paso shareholders have until midnight Jan. 12 to withdraw their tendered shares.

El Paso is engaged in oil and gas exploration throughout the western United States and in natural gas pipeline transmission to West Texas, New Mexico, Arizona, southern Nevada and California.

Saudi Aide Rules Out Reduction in Oil Price

Reuters

BAHRAIN — Saudi Arabia will not cut its oil price from the current level of \$34 a barrel and did not discuss such a move at a Geneva meeting this week with its U.S. partners in Arabian American Oil Co., a government spokesman said Thursday.

The spokesman, quoted by the official Saudi press agency, said rumors that the kingdom was considering an oil price cut were pure speculation, with no basis in fact. Sheikh Ahmed Zaki Yamani, the Saudi oil minister, had not brought up the possibility of a price cut during his talks with the Aramco executives, the spokesman added.

A senior Saudi Arabian official said Wednesday that Sheikh Yamani had held talks in Geneva with the heads of Saudi Arabia's four U.S. partners in Aramco — Exxon, Solar, Mobil and Texaco, but said nothing out of the ordinary had been discussed.

CURRENCY RATES

Interbank exchange rates for Jan. 6, excluding bank service charges.

	\$	£	DM	FF	Y	Sc	S	Sw	DK
Amsterdam	2.375	4.75	116.47	3.75	17.875	5.41	12.27	21.25	1.36
Berlin	4.22	7.42	116.47	3.75	17.875	5.41	12.27	21.25	1.36
Bombay	2.375	3.75	116.47	3.75	17.875	5.41	12.27	21.25	1.36
London	1.607	—	116.47	3.75	17.875	5.41	12.27	21.25	1.36
Madrid	1.352	2.17	116.47	3.75	17.875	5.41	12.27	21.25	1.36
Paris	1.607	—	116.47	3.75	17.875	5.41	12.27	21.25	1.36
Porto	6.65	10.71	116.47	3.75	17.875	5.41	12.27	21.25	1.36
Zurich	1.557	2.174	116.47	3.75	17.875	5.41	12.27	21.25	1.36
1 BCU	0.976	0.607	2.293	6.566	1.2477	2.56	45.184	1.913	8.978
1 SDR	1.1049	0.6844	2.6043	7.3536	1.5017	2.872	51.254	2.743	11.938

Dollar Values

	Per U.S.	Per U.S.	Per U.S.	Per U.S.	Per U.S.	Per U.S.	Per U.S.	Per U.S.	Per U.S.
Swiss	0.975	1.012	0.921	1.012	0.921	1.012	0.921	1.012	0.921
Australian	0.685	1.012	0.921	1.012	0.921	1.012	0.921	1.012	0.921
Canadian	0.685	1.012	0.921	1.012	0.921	1.012	0.921	1.012	0.921
Japanese	0.006	1.012	0.921	1.012	0.921	1.012	0.921	1.012	0.921
British	0.006	1.012	0.921	1.012	0.921	1.012	0.921	1.012	0.921
French	0.012	1.012	0.921	1.012	0.921	1.012	0.921	1.012	0.921
German	0.012	1.012	0.921	1.012	0.921	1.012	0.921	1.012	0.921
Italian	0.012	1.012	0.921	1.012	0.921	1.012	0.921	1.012	0.921
Spanish	0.012	1.012	0.921	1.012	0.921	1.012	0.921	1.012	0.921
Portuguese	0.012	1.012	0.921	1.012	0.921	1.012	0.921	1.012	0.921
Irish	0.012	1.012	0.921	1.012	0.921	1.012	0.921	1.012	0.921

(*) Commercial franc. (b) Amounts needed to buy one pound. (c) Units of 100 (c) Units of 1,000

NYSE Prices Surge; Dow at Record High

Compiled by Our Staff From Dispatches

NEW YORK — The Dow Jones industrial average soared to its highest closing level on record Thursday as a vision of imminent economic recovery gripped Wall Street.

"The market was propelled by a deepening conviction that the recovery is falling into place," said Monte Gordon of Dreyfus Corp.

The Dow average, the market's best known measure, rose more than 31 points during the day and finished up 26.03 at 1,070.92. The previous record close was established last Dec. 27 at 1,070.55.

The huge gains were reflected across the board, with advancing issues totaling 1,436, compared with only 287 declines. Trading activity was the heaviest in two months. There were 129.4 million shares traded, compared with 95.4 million Wednesday, itself the heaviest session in about four weeks.

"The Federal Reserve has been so accommodating in its monetary policies over the last several months that investors now believe the revival in the economy could be both sudden and sharp," said Michael Metz of Oppenheimer & Co.

"I think this recovery will end up being much better than expected."

Analysts said investors were encouraged that the federal funds rate, which banks charge one another on overnight money, declined from the outset, leading to speculation the Federal Reserve may cut its discount rate again.

Chase Manhattan, which cut its prime lending rate a week ago, heartened the investment community when it lowered the rates it charges on auto, home improvement and personal unsecured loans. Later Crockier National Bank of San Francisco cut its mortgage rates.

Traders reportedly were waiting for IBM, the computer giant that led last year's market to its best gain in seven years, to report its earnings sometime next week. The figures are expected to be good.

"It is hard to tell right now what the market is doing because the leadership is bouncing around," said Harry Laubscher, Paine Webber Mitchell Hutchins vice president.

"The one bright spot is the utilities average, which could reach a

new high," Mr. Laubscher said. "This could be the life preserver for the overall market. But at times these stocks have been used as a haven when the market is ready to top."

Expectations of a recovery were reflected in the market's best performers — primarily the basic industry and cyclical issues that are usually the first beneficiaries of an economic upturn.

Larry Wachet of Prudential-Bache securities said the market is undergoing a basic shift in leader-

ship as institutional portfolio managers focus on the previously ignored basic industry stocks and move away from the high technology, and high risk, issues that were the stars of 1982.

■ Another Tokyo Record
The Tokyo stock market average reached a record high for the second consecutive day Thursday, gaining 54.36 to close at 8,120.51 on volume of 830 million shares, the biggest volume since Aug. 12, 1981. Reuters reported from Tokyo.

Support Slipping For Bank Institute

By Paul Lewis
New York Times Service

PARIS — Talks between representatives of 35 major Western banks open in Washington next week on a new scheme to prevent the international debt crisis from worsening, but there are indications European support for the project is weakening.

The bankers gathering in Washington next Monday and Tuesday hope to agree on the statutes for a new International Banking Institute, which would oversee private bank lending to the Third World, advise member banks on the credit worthiness of borrowing countries and try to spot and solve repayment problems before they get out of hand.

The proposed Banking Institute would also act as a clearinghouse for information about the economic condition of borrowing countries and might recommend the rate of interest that its member banks charge particular debtors. Next week's meeting will be chaired by William Ogden, a senior vice president of Chase Manhattan.

But some European bankers now say they are not fully convinced of the need for setting up such a body and fear that by joining it they might be restricting their own commercial freedom of maneuver. "We have to have rules that are fair to

everyone," said one French banker Thursday.

The idea of setting up the new International Banking Institute, which is expected to be based in Washington, grew out of two private meetings among leading bankers that took place in late 1981 and last year at the British Foreign Office's conference center near London.

These meetings, which resulted in a vaguely worded communiqué committing the bankers who were present to study the possibility of setting up the institute, were also attended by senior officials from the International Monetary Fund and other financial bodies concerned about the Third World's growing debt problem and the threat it could pose to the stability of the international financial system.

Although senior European and U.S. bankers still expect the institute to be set up later this year, some believe that initial European support will be weaker than appeared likely a few months ago.

"There was a real sense of panic then, which calmed down a bit after we successfully handled the Mexico and Brazil repayment problems," a European banker said Thursday.

Another criticism some European bankers have of the proposed

(Continued on Page 13, Col. 3)



The man with exceptional goals needs an exceptional bank.

What makes Republic exceptional? To start with, there is our policy of concentrating on things we do unusually well. For example, export financing, foreign exchange and banknotes, money market transactions and precious metals. We also offer the new IBF's (international banking facilities), which enable non-US residents to deposit Eurocurrencies in New York.

Geographically, too, we work mainly in areas where we have something special to offer. This includes not only the USA, where Republic is one of the 25 largest banks, ranked by

order of deposits. It also includes a number of less familiar countries, where our exceptional knowledge of local conditions can be an important advantage for clients.

As members of the Trade Development Bank Holding Group, we're distinctly traditional in our basic policies. At the heart of our business is the maintenance of a strong and diversified deposit base. Our portfolio of assets is also well-diversified, and it is a point of principle with us to keep a conservative ratio of capital to deposits and a high degree of liquidity—sensible strategies in these uncertain times.

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you would like to entrust with your business, get in touch with us. RNB—an exceptional bank for the man with exceptional goals.

RNB: U.S. \$ 1 billion in total assets, U.S. \$ 600 million in deposits, as of September 30, 1982. TDE Holding Group: U.S. \$ 1.5 billion in assets, U.S. \$ 1 billion in deposits, as of June 30, 1982.

Republic National Bank of New York is a fully licensed bank in the USA, and a member of the Federal Reserve System. It is also a member of the European Payments Union, the European Bank for International Cooperation, and the International Chamber of Commerce.

Republic National Bank of N.Y.

Member of Trade Development Bank Holding Group

Shown at left, head office of Republic National Bank of New York, at 492 Fifth Avenue. Republic now has 51 branches in the New York area.

Member FDIC

Tables include the nationwide prices up to the closing on Wall Street.

Thursday's AMEX Closing Prices

Tables include the nationwide prices up to the closing on Wall Street.

12 Month							Close		12 Month							Close	
High	Low	Stock	Div.	Yld.	P/E	100s	Close	High	Low	Stock	Div.	Yld.	P/E	100s	Close		
10 1/4	9 1/4	AAV					99 1/2	9 1/4	1 1/4	Gay					99 1/2		
10 1/4	9 1/4	ABA					99 1/2	9 1/4	1 1/4	Gemco					99 1/2		
10 1/4	9 1/4	ABT					99 1/2	9 1/4	1 1/4	Genco					99 1/2		
10 1/4	9 1/4	ATI					99 1/2	9 1/4	1 1/4	Gent					99 1/2		
10 1/4	9 1/4	ATM					99 1/2	9 1/4	1 1/4	Gent					99 1/2		
10 1/4	9 1/4	ATN					99 1/2	9 1/4	1 1/4	Gent					99 1/2		
10 1/4	9 1/4	ATP					99 1/2	9 1/4	1 1/4	Gent					99 1/2		
10 1/4	9 1/4	ATQ					99 1/2	9 1/4	1 1/4	Gent					99 1/2		
10 1/4	9 1/4	ATR					99 1/2	9 1/4	1 1/4	Gent					99 1/2		
10 1/4	9 1/4	ATS					99 1/2	9 1/4	1 1/4	Gent					99 1/2		
10 1/4	9 1/4	ATU					99 1/2	9 1/4	1 1/4	Gent					99 1/2		
10 1/4	9 1/4	ATV					99 1/2	9 1/4	1 1/4	Gent					99 1/2		
10 1/4	9 1/4	ATW					99 1/2	9 1/4	1 1/4	Gent					99 1/2		
10 1/4	9 1/4	ATX					99 1/2	9 1/4	1 1/4	Gent					99 1/2		
10 1/4	9 1/4	ATY					99 1/2	9 1/4	1 1/4	Gent					99 1/2		
10 1/4	9 1/4	ATZ					99 1/2	9 1/4	1 1/4	Gent					99 1/2		
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10 1/4	9 1/4	ATE					99 1/2	9 1/4	1 1/4	Gent					99 1/2		
10 1/4	9 1/4	ATF					99 1/2	9 1/4	1 1/4	Gent					99 1/2		
10 1/4	9 1/4	ATG					99 1/2	9 1/4	1 1/4	Gent					99 1/2		
10 1/4	9 1/4	ATH					99 1/2	9 1/4	1 1/4	Gent					99 1/2		
10 1/4	9 1/4	ATI					99 1/2	9 1/4	1 1/4	Gent					99 1/2		
10 1/4	9 1/4	ATJ					99 1/2	9 1/4	1 1/4	Gent					99 1/2		
10 1/4	9 1/4	ATK					99 1/2	9 1/4	1 1/4	Gent					99 1/2		
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10 1/4	9 1/4	ATN					99 1/2	9 1/4	1 1/4	Gent					99 1/2		
10 1/4	9 1/4	ATO					99 1/2	9 1/4	1 1/4	Gent					99 1/2		
10 1/4	9 1/4	ATP					99 1/2	9 1/4	1 1/4	Gent					99 1/2		
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10 1/4	9 1/4	ATF					99 1/2	9 1/4	1 1/4	Gent					99 1/2		
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10 1/4	9 1/4	ATH					99 1/2	9 1/4	1 1/4	Gent					99 1/2		
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10 1/4	9 1/4	ATR					99 1/2	9 1/4	1 1/4	Gent					99 1/2		
10 1/4	9 1/4	ATS					99 1/2	9 1/4	1 1/4	Gent					99 1/2		
10 1/4	9 1/4	ATU					99 1/2	9 1/4	1 1/4	Gent					99 1/2		
10 1/4	9 1/4	ATV					99 1/2	9 1/4	1 1/4	Gent					99 1/2		
10 1/4	9 1/4	ATW					99 1/2	9 1/4	1 1/4	Gent					99 1/2		
10 1/4	9 1/4	ATX					99 1/2	9 1/4	1 1/4	Gent					99 1/2		
10 1/4	9 1/4	ATY					99 1/2	9 1/4	1 1/4	Gent					99 1/2		
10 1/4	9 1/4	ATZ					99 1/2	9 1/4	1 1/4	Gent					99 1/2		
10 1/4	9 1/4	ATB					99 1/2	9 1/4	1 1/4	Gent					99 1/2		
10 1/4	9 1/4	ATC					99 1/2	9 1/4	1 1/4	Gent					99 1/2		
10 1/4	9 1/4	ATD					99 1/2	9 1/4	1 1/4	Gent					99 1/2		
10 1/4	9 1/4	ATE					99 1/2	9 1/4	1 1/4	Gent					99 1/2		
10 1/4	9 1/4	ATF					99 1/2	9 1/4	1 1/4	Gent					99 1/2		
10 1/4	9 1/4	ATG					99 1/2	9 1/4	1 1/4	Gent					99 1/2		
10 1/4	9 1/4	ATH					99 1/2	9 1/4	1 1/4	Gent					99 1/2		
10 1/4	9 1/4	ATI					99 1/2	9 1/4	1 1/4	Gent					99 1/2		
10 1/4	9 1/4	ATJ					99 1/2	9 1/4	1 1/4	Gent					99 1/2		
10 1/4	9 1/4	ATK					99 1/2	9 1/4	1 1/4	Gent					99 1/2		
10 1/4	9 1/4	ATL					99 1/2	9 1/4	1 1/4	Gent					99 1/2		
10 1/4	9 1/4	ATM					99 1/2	9 1/4	1 1/4	Gent					99 1/2		
10 1/4	9 1/4	ATN					99 1/2	9 1/4	1 1/4	Gent					99 1/2		
10 1/4	9 1/4	ATO					99 1/2	9 1/4	1 1/4	Gent					99 1/2		
10 1/4	9 1/4	ATP					99 1/2	9 1/4	1 1/4	Gent					99 1/2		
10 1/4	9 1/4	ATQ					99 1/2	9 1/4	1 1/4	Gent					99 1/2		
10 1/4	9 1/4	ATR					99 1/2	9 1/4	1 1/4	Gent					99 1/2		
10 1/4	9 1/4	ATS					99 1/2	9 1/4	1 1/4	Gent					99 1/2		
10 1/4	9 1/4	ATU					99 1/2	9 1/4	1 1/4	Gent					99 1/2		
10 1/4	9 1/4	ATV					99 1/2	9 1/4	1 1/4	Gent					99 1/2		
10 1/4	9 1/4	ATW					99 1/2	9 1/4	1 1/4	Gent					99 1/2		
10																	

	Open	High	Low	Settle	Chg
Jan. 6 FRENCH FRANC					

[illegible]

27 1/2	25%	Dams	113.75	14	50	27
36	15%	Daford	30	934	293	34
10 1/2	4%	Dolarm		111	139	10
4 1/2	2	DeRose		15	14	5

4	1 1/2	Decorat		12	5	3
22	1 1/2	DelLab	.60	2.5	10	56
13 1/2	10 1/2	DiVal n	1.68	13	8	31
12 1/2	6 1/2	DiVald n			103	135
28 1/2	16 1/2	DiVal s	1.40	5.3	8	12
5 1/2	3	DiValJ			9	8
32 1/2	7	Diplocon			5	711
55 1/2	22	Dilford	.60	.8	9	28
4 1/2	15	Diodes			75	16
5	2 1/2	Dinico				14
12 1/2	1-1/2	DomeP			9734	31

21	12	Dunes	v	10	13
1's		Dunlop	.12e	14	106
20's	13	Dupla	.68	3.9	2

12 1/2	7 1/2	Our Tst	.60a	1.114	98	12
12 1/2	6	Dynlmt	.20e	1.771	1106	12
16 1/2	10 1/2	Dyneer	.70	4.820	113	15
				E	E	
9 1/2	5 1/2	EAC	.40	4.67	55	8
11	4 1/2	ECCO	.28	3.2	55	8
13 1/2	10 1/2	EstnCa	.60	5.319	4	11
25	7 1/2	EDO s	.3c	1.371	107	24
3 1/2	1 1/2	ELAudD			15	3
26 1/2	15	ELcam	1.40	6.711	16	21
5 1/2	2 1/2	ElecSd			236	5

5 th	2 nd	EnCar	10	22	34
10 th	3 rd	EnMgt		15	41
8	2 nd	EngMun	10	54	43

13 1/4	7 1/4	EngvRs	.06r	.7	96	91
21 1/2	7 1/4	EnrSrv			102	34
72 7 11-16		Ero In	s	9	71	98
502	291	Emox	80	2.1	125	45

12 1/2	8 1/4	Evr J A	.20	1.9 23	13	10
16 1/8	5 1/4	Extr O	.10	1.1 23	46	93
5 1/2	1 1/2	Expf Sv		18	78	24
- F F F -						

42%	3	FGI			1	34
17%	7%	FPA	5		19	114
16%	10%	Fobind	.50	3.1	7	10
20%	12%	Fobind	.25	1.0	2	3.5

1214	7% FlConn	1a	9.2	6	5	104
1194	114 FlWymB	.80	6.4	6	94	123
1314	5% FischP	.77t	8.4	10	139	94
2214	17% FlcGE	2.60	13	9	47	200

30'4	26'4	FlIGE	pl 4	14	13	28
10	12	Flagg		18	31	10
8'8	5'8	FluCap		3	11	6
18'8	8	FluRct	48	22	22	18

19	11 1/4	Forest C	.10	5	2	18 1/2
42	16 1/2	Fors Lb		36	93	41 1/2
21 1/2	19 1/2	Fors L	wl		7	20 1/2

67th	2nd	Fotomi			124	54
181st	11th	Franks	.48	3.0 9	5	164
202nd	17th	Frontz	.80	3.0 13	10	264
113th	4th	ErMly	n .811	8.2 11	27	10

14	7	Frison	400	2.8	8	81	147
30	17	FrontM	20	1.0	6	620	209
20	9	FrIA w1	371	2.6	26	143	

— G—G—G —

5 1/2	3 1/2	GIE	6	7	32
7 1/2	4 1/2	GRI	7	8	64
5 1/2	7 1/2	GTL	38	34	44

1. 214 10 2 00121 20 12 12 22 12 12

1214	7% FlConn	1a	9.2	6	5	104
1194	114 FlWymB	.80	6.4	6	94	123
1314	5% FischP	.77t	8.4	10	139	94
2214	17% FlcGE	2.60	13	9	47	200

30'4	26'4	FlIGE	pl 4	14	13	28
10	12	Flagg		18	31	10
8'8	5'8	FlCap		3	11	6
18'8	8	FlO Rct	48	22	22	18

19	11 1/4	Forest C	.10	5	2	18 1/2
42	16 1/2	Fors Lb		36	93	41 1/2
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5 1/2	3 1/2	GIE	6	7	32
7 1/2	4 1/2	GRI	7	8	64
5 1/2	7 1/2	GTL	38	34	44

1. 214 10 2 00121 20 12 12 22 12 12

20	29	8 1/4	5 1/4	8 1/4 + 1/4	17 1/2
13 1/2	32 1/2	16	14 1/2	15 + 1/4	18 1/4

11.	13 0/13 1/2	12 1/2	13 1/2 + 1/2	20 1/2
12.	5 11 1/2	11 1/2	11 1/2 - 1/2	30
				15 1/2
				1 1/2

13.	72	34 1/2	34 1/2	34 1/2 +	36	11 1/2
13.	157	32 1/2	31 1/2	32 +	34	7 1/2
13.	43	26	25 1/2	25 1/2 +	26	6 1/2
13.	100	24	23 1/2	24 +	26	10 1/2

12	9	18%	18%	18%+	16
12	4	20%	20%	20%+	16%
12	9	21%	21%	21%—	11%

12	11	15%	15%	15% + 1%	7%
13	2	18	18	18 + 1%	35%
13	51	14%	16%	16%	19%

12	2	134	17%	16	17%	+1%	31%
4.8	4	140	17%	16	17%	+1%	31%
12	26300	25%	35	35%	-	1%	31%
13	2750	25%	34%	34%	-1%	18%	

25	138	35%	35%	25%	25%
2	61	4%	4%	4% + 1/2	3%

11	27%	24	24% + 14	18%
1	4	4	4	13%
3.2 9	6	18%	18% + 36	20%
21	21	26	26 + 36	24%

17.3	123	144	174	144 + 16	57%
8.4	11	1/2	294	294 + 1	34%
1.7	88	70	94	70 + 16	3

1.3 13	18	59½	59	59½ + 1½	71½
3.0 7	25	26½	25½	26½ + ½	81½
2.1 12	24	13¼	13½	13½	77½

34	14	130	175	174
33	354	134	124	134
38	44	44	44	254
7010	234	234	234	13

23 14	35	17%	14%	1714 + 36
33 8	1	50%	50%	50%
14	60	61%	61%	61% + 36

46	128	3%	3	346	7%
14	9	17½	16½	17½	+1¼
10	486	19½	19	19½	
25	47	18½	19	18½	

$$1.6 \frac{11}{23} \frac{27}{12\%} \frac{17\%}{12\%} \frac{12\%}{12\% + \frac{1}{2}}$$

100

1997, 1998, 1999, 2000, 2001, 2002, 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022, 2023, 2024, 2025, 2026, 2027, 2028, 2029, 2030, 2031, 2032, 2033, 2034, 2035, 2036, 2037, 2038, 2039, 2040, 2041, 2042, 2043, 2044, 2045, 2046, 2047, 2048, 2049, 2050, 2051, 2052, 2053, 2054, 2055, 2056, 2057, 2058, 2059, 2060, 2061, 2062, 2063, 2064, 2065, 2066, 2067, 2068, 2069, 2070, 2071, 2072, 2073, 2074, 2075, 2076, 2077, 2078, 2079, 2080, 2081, 2082, 2083, 2084, 2085, 2086, 2087, 2088, 2089, 2090, 2091, 2092, 2093, 2094, 2095, 2096, 2097, 2098, 2099, 2100, 2101, 2102, 2103, 2104, 2105, 2106, 2107, 2108, 2109, 2110, 2111, 2112, 2113, 2114, 2115, 2116, 2117, 2118, 2119, 2120, 2121, 2122, 2123, 2124, 2125, 2126, 2127, 2128, 2129, 2130, 2131, 2132, 2133, 2134, 2135, 2136, 2137, 2138, 2139, 2140, 2141, 2142, 2143, 2144, 2145, 2146, 2147, 2148, 2149, 2150, 2151, 2152, 2153, 2154, 2155, 2156, 2157, 2158, 2159, 2160, 2161, 2162, 2163, 2164, 2165, 2166, 2167, 2168, 2169, 2170, 2171, 2172, 2173, 2174, 2175, 2176, 2177, 2178, 2179, 2180, 2181, 2182, 2183, 2184, 2185, 2186, 2187, 2188, 2189, 2190, 2191, 2192, 2193, 2194, 2195, 2196, 2197, 2198, 2199, 2200, 2201, 2202, 2203, 2204, 2205, 2206, 2207, 2208, 2209, 2210, 2211, 2212, 2213, 2214, 2215, 2216, 2217, 2218, 2219, 2220, 2221, 2222, 2223, 2224, 2225, 2226, 2227, 2228, 2229, 2230, 2231, 2232, 2233, 2234, 2235, 2236, 2237, 2238, 2239, 2240, 2241, 2242, 2243, 2244, 2245, 2246, 2247, 2248, 2249, 2250, 2251, 2252, 2253, 2254, 2255, 2256, 2257, 2258, 2259, 2260, 2261, 2262, 2263, 2264, 2265, 2266, 2267, 2268, 2269, 2270, 2271, 2272, 2273, 2274, 2275, 2276, 2277, 2278, 2279, 2280, 2281, 2282, 2283, 2284, 2285, 2286, 2287, 2288, 2289, 2290, 2291, 2292, 2293, 2294, 2295, 2296, 2297, 2298, 2299, 2300, 2301, 2302, 2303, 2304, 2305, 2306, 2307, 2308, 2309, 2310, 2311, 2312, 2313, 2314, 2315, 2316, 2317, 2318, 2319, 2320, 2321, 2322, 2323, 2324, 2325, 2326, 2327, 2328, 2329, 2330, 2331, 2332, 2333, 2334, 2335, 2336, 2337, 2338, 2339, 2340, 2341, 2342, 2343, 2344, 2345, 2346, 2347, 2348, 2349, 2350, 2351, 2352, 2353, 2354, 2355, 2356, 2357, 2358, 2359, 2360, 2361, 2362, 2363, 2364, 2365, 2366, 2367, 2368, 2369, 2370, 2371, 2372, 2373, 2374, 2375, 2376, 2377, 2378, 2379, 2380, 2381, 2382, 2383, 2384, 2385, 2386, 2387, 2388, 2389, 2390, 2391, 2392, 2393, 2394, 2395, 2396, 2397, 2398, 2399, 2400, 2401, 2402, 2403, 2404, 2405, 2406, 2407, 2408, 2409, 2410, 2411, 2412, 2413, 2414, 2415, 2416, 2417, 2418, 2419, 2420, 2421, 2422, 2423, 2424, 2425, 2426, 2427, 2428, 2429, 2430, 2431, 2432, 2433, 2434, 2435, 2436, 2437, 2438, 2439, 2440, 2441, 2442, 2443, 2444, 2445, 2446, 2447, 2448, 2449, 2450, 2451, 2452, 2453, 2454, 2455, 2456, 2457, 2458, 2459, 2460, 2461, 2462, 2463, 2464, 2465, 2466, 2467, 2468, 2469, 2470, 2471, 2472, 2473, 2474, 2475, 2476, 2477, 2478, 2479, 2480, 2481, 2482, 2483, 2484, 2485, 2486, 2487, 2488, 2489, 2490, 2491, 2492, 2493, 2494, 2495, 2496, 2497, 2498, 2499, 2500, 2501, 2502, 2503, 2504, 2505, 2506, 2507, 2508, 2509, 2510, 2511, 2512, 2513, 2514, 2515, 2516, 2517, 2518, 2519, 2520, 2521, 2522, 2523, 2524, 2525, 2526, 2527, 2528, 2529, 2530, 2531, 2532, 2533, 2534, 2535, 2536, 2537, 2538, 2539, 2540, 2541, 2542, 2543, 2544, 2545, 2546, 2547, 2548, 2549, 2550, 2551, 2552, 2553, 2554, 2555, 2556, 2557, 2558, 2559, 2560, 2561, 2562, 2563, 2564, 2565, 2566, 2567, 2568, 2569, 2570, 2571, 2572, 2573, 2574, 2575, 2576, 2577, 2578, 2579, 2580, 2581, 2582, 2583, 2584, 2585, 2586, 2587, 2588, 2589, 2590, 2591, 2592, 2593, 2594, 2595, 2596, 2597, 2598, 2599, 2600, 2601, 2602, 2603, 2604, 2605, 2606, 2607, 2608, 2609, 2610, 2611, 2612, 2613, 2614, 2615, 2616, 2617, 2618, 2619, 2620, 2621, 2622, 2623, 2624, 2625, 2626, 2627, 2628, 2629, 2630, 2631, 2632, 2633, 2634, 2635, 2636, 2637, 2638, 2639, 2640, 2641, 2642, 2643, 2644, 2645, 2646, 2647, 2648, 2649, 2650, 2651, 2652, 2653, 2654, 2655, 2656, 2657, 2658, 2659, 2660, 2661, 2662, 2663, 2664, 2665, 2666, 2667, 2668, 2669, 2670, 2671, 2672, 2673, 2674, 2675, 2676, 2677, 2678, 26

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BUSINESS BRIEFS

U.S. Authorities Back Trading In Options on Stock-Index Futures

WASHINGTON (Reuters) — The Commodity Futures Trading Commission Thursday unanimously approved applications from two futures exchanges to trade options on stock-index futures contracts.

At an open meeting, the CFTC approved the New York Futures Exchange's plan to trade options on futures contracts based on the New York Stock Exchange's composite stock index.

It also approved the Chicago Mercantile Exchange's plan to trade options on futures contracts based on the Standard and Poor's 500 index.

Thomson, Philips Heads to Meet

PARIS (Reuters) — Alain Gougeon, head of Thomson-Brandt, will meet the chief of Philips of the Netherlands, Wim de Koster, in France Saturday, a spokesman for Philips France said Thursday.

He said the two, meeting for the first time, will discuss the future of West Germany's Grundig, which Thomson is trying to control, but added that no technical decisions are expected.

Philips has a 24.5 percent stake in Grundig, and Thomson plans to take a 75.5 percent holding. Another possible topic of discussion could be Philips' announcement Wednesday that it and AT&T would form a joint venture to market electronic switching systems outside the United States.

China, U.S. in Textile Talks

PEKING (AP) — The United States and China held an informal meeting Thursday aimed at reaching a new agreement on Chinese textile exports to the United States.

The chief U.S. textile negotiator, Peter Murphy, met with Chinese textile experts, the U.S. Embassy said. No details were immediately available. The fourth round of formal talks begins Friday.

The United States wants to limit the growth rate of Chinese textile exports to the United States. China opposes U.S. restrictions. Three rounds of fruitless talks have been held in an effort to replace the two-year textile agreement that expired Dec. 31.

Burda Drops Springer Takeover

BERLIN (Reuters) — Burda, the West German magazine publisher, has dropped plans to take control of the Springer newspaper empire and instead opted for a minority holding, the federal Cartel Office said Thursday.

The Cartel Office has for a year blocked moves to link the two leading West German publishing houses. Burda wished to acquire a majority stake and head the group, a move that critics said would allow the group to dominate important sectors of the market.

A spokesman for the office said Burda had withdrawn its request for permission to take a majority holding and now sought only 24.9 percent in Axel Springer Verlag, owners of the newspapers Bild and Welt.

Company Notes

Hambro Life Assurance shareholders approved an agreement Thursday under which a subsidiary of Guardian Royal Exchange Assurance would acquire 12 million new Hambro Life shares for 325 pence each. The purchase will give Guardian a 10 percent stake in Hambro Life.

Brown Boveri said Thursday that while the French government has not yet given its approval for the sale of Cie. Electro-Mécanique to Alsthom-Atlantique, Brown Boveri expects to get the approval shortly and expects it to be retroactive to Dec. 31.

Indonesia Unveils Austerity Budget

JAKARTA (Reuters) — President Suharto of Indonesia announced an austere 1983-84 budget Thursday, freezing public sector wages, abolishing subsidies on essential foods and cutting the government energy subsidy by 25 percent.

The total budget for the year starting April 1 was put at 16.5 trillion rupiah (\$24.3 billion). Development spending was increased a nominal 7.9 percent to 9.3 trillion and routine spending 3.9 percent to 7.3 trillion.

He told parliament that, faced with declining revenue from oil and commodity exports, the government had to make the least unpleasant of a series of unpleasant choices to sustain national development.

Subsidies on rice, cooking oil, flour, sugar and salt, which cost the government 188 billion rupiah in 1982-83, will be removed April 1, and domestic fuel prices will be raised by cutting the government fuel subsidy 25 percent.

Otherwise, he said, "the fuel price oil subsidy for 1983-84 would reach over 2,100 billion rupiah. That would mean using up to one-sixth of state revenues planned for the coming fiscal year."

The budgeted subsidy cut is from the previous year's 924 billion rupiah.

Mr. Suharto pledged to sustain national development, education, agriculture and industry at all costs. But he indicated that plans for ambitious capital projects, such as new oil refineries still in the blueprint stage, would be reassessed.

By the end of 1982, sales of exported rubber, timber and coffee had not yet recovered from a drop of 50 percent between January and June.

And the central bank's reserves of foreign exchange, mobilized to keep development on course, sank from \$6 billion to \$4 billion over the first 10 months of 1982.

Enil Salim, the minister of development and environmental control, said in a recent interview that the country's economic problems were more serious than they had seemed.

Budgetary austerity is expected to help combat the immediate problem. But in the long run, the largely military government hopes the recession will ease soon enough to let rapid development resume.

For if an economic upswing does not come by the end of 1983, according to a senior American consultant, "there will be some very tough political decisions — it will put strains on the system."

No one suggests that Indonesia is headed for economic collapse. The country is exceptionally rich in resources: its coal, for example, remains unmined. Its economic growth for 1982 — after surges of 7.6 percent in 1981 and nearly 10 percent the year before — is estimated at 2 to 4.5 percent. And inflation, a scourge as recently as 1980, has been kept to 10 percent for the past two years.

Indonesia's American-trained economic managers are considered models of conservative competence. Government debts abroad of less than \$18 billion seem moderate.

Earlier, Colin Campbell of the New York Times reported from Jakarta:

Not long ago, it appeared as if Indonesia and its long-booming economy would be spared the most serious consequences of the world recession.

But the length and severity of the global downturn have upset those expectations.

The country, the eighth-largest oil producer in the world, has seen its production decline 20 percent from last year, to an average

of 1.3 million barrels a day. In an effort to increase sales, the price of crude oil was cut in November.

After the government announced "self-sufficiency" in rice last July for the world's fifth-most populous nation, a drought, which cut 1982 production below the previous year's 22.3 million tons, set back the current wet season crop by a month and a half. As a result, the specter of the country having to import huge amounts of rice has been raised despite government reserves of 2 million tons.



President Suharto

But the possible political effect of extended economic difficulties has added a further dimension to private concern about the economy.

Although expanding, Indonesia's annual per-capita income only recently exceeded \$500, and tens of millions of Indonesians are painfully poor. The slums of Jakarta are undiminished, and new slums are growing in provincial cities. Over the past year, crime became a daily concern.

Studies by Western economists have yet to discover either a marked increase in the standard of living among the very poor or a narrowing of the gap between them and the rich. "Not only are the rich getting richer," said a Western diplomat whose government supports the Suharto regime, "but the Chinese are getting richer. This means trouble."

Ethnic antagonism against the vulnerable but relatively prosperous Chinese minority has flared into riots several times in recent years.

According to a variety of analysts, the important thing is that although economic development has been uneven, it has been widely felt.

The government party, Golkar, stressed economic growth during last May's elections, and the results raised Golkar's share of the vote to more than 60 percent. For many Indonesians, prosperity leads a rather gray regime as much prestige as it does stability.

Big Retailers In U.S. Had Weak Yule

NEW YORK — The United States' top three retailers Thursday reported weak results during the crucial Christmas selling month.

No. 1 Sears Roebuck & Co., based in Chicago, said its December sales were up just 2.9 percent from a year earlier.

K mart Corp., ranked second and based in Troy, Michigan, said its December sales increased only 0.8 percent, and New York-based J.C. Penney Co., the nation's third largest retailer, said its sales rose 2.4 in December.

Jeffrey Feiner, a retail analyst with Merrill Lynch, Pierce, Fenner & Smith Inc., said, "Trends in sales in December showed some minor improvement from the pace of the prior several months but still reflected the difficult economic conditions and the high levels of unemployment."

The major retailers have posted sluggish sales since May, and industry analysts and economists had hoped consumer spending would jump during the Christmas season, pulling the retailers and the economy out of the prolonged recession.

"The full-year sales gain was one of the lowest in the past decade for many of the mass merchandisers who cater to the lower-middle to middle-income group," Mr. Feiner said.

The retailers' fiscal year runs through January.

He said that in December, weakness was evident in several markets that were adversely affected by the devaluation of the Mexican peso, namely in California and Texas.

CENTRAL ASSETS CURRENCY FUNDS LTD.		
Prices as at 6-1-83		
U.S. \$	10.89	
£ Sterling	11.10	
D. Marks	42.17	
Sfr. Francs	40.42	
Fr. Francs	113.07	
SDR's	274.04	

Central Assets Currency Management Ltd., 20, rue de la Loi, 1050 Brussels, Belgium. Tel: (02) 640 32 80. Telex: 64978 DUNN B.

FUTURES DOW JONES		
Through New York Industrial Index Fund Prices in U.S. \$		
Month	bid/offer quotes Jan. 6	Business done last week
Jan. 27	1040/1050	1022/1052
Feb. 24	1038/1050	1020/1052
Mar. 31	1038/1052	1020/1054

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In accordance with the terms and conditions of the Notes and the provisions of the Agent Bank Agreement between Lloyds Eurofinance N.V., Lloyds Bank Plc, and Citibank, N.A., dated July 2, 1980, notice is hereby given that the Rate of Interest has been fixed at 10 1/4 % p.a. The relevant Interest Payment Date is July 6, 1983 (making an interest period of 181 days), and payment will be made against Coupon No. 6. The value of Coupon No. 5 payable on January 6, 1983 is US\$108.06.

January 7, 1983, London.
By: Citibank, N.A., (C.S.S.I. Dept.) Agent Bank. CITIBANK

Support Slipping for Bank Panel

(Continued from Page 11)

new institute is that it may be dominated by the U.S. banks and is in part tailored to resolve a purely U.S. problem. This problem, the bankers said, is the danger that smaller, regional U.S. banks, which were slow to start lending internationally, are now tempted to stop lending abroad because of growing doubts about the Third World's ability to repay.

If the regional U.S. banks pull in their lending horns, the big U.S. banks will be forced to lend even more to financially weak Third World nations to enable them to keep servicing their debts and prevent them from going into default.

"The big New York banks see the institute mainly as a way of reassuring the regionals," a West German banker said.

Discussion of possible managing directors for the new institute has already begun among top bankers in Europe and the United States, according to banking sources here. One name being mentioned is Horst Schulman, a respected West German international monetary expert, who served as an economic advisor to former Chancellor Helmut Schmidt. Another possibility, according to French bankers, is Paul Mentre-de-Loye, an economic adviser to former French President Valéry Giscard d'Estaing, who also has worked at the IMF. The managing director post is expected to carry a salary of about \$200,000 a year.

An unresolved question about the institute is whether it will be allowed access to confidential economic information about borrowing countries possessed by the IMF and other international financial bodies. In the past, the IMF has always declined to share its information with private bankers. But officials say this could change because of the seriousness of the international debt crisis and the

pressing need Third World countries now have to maintain their access to private capital markets to finance growth.

European monetary officials see the proposed International Banking Institute in part as an attempt by the private banks to regulate themselves more tightly in the future and thus head off pressure for stricter controls over their foreign lending by central banks and other regulatory authorities.

Such pressure for a tighter government grip over the foreign lending activities of big private banks is increasing as it becomes clear they have lent imprudently in the past and governments are now forced to assume responsibility for these debts to prevent a banking panic.



Kenneth Durham, left, and Frans van den Hoven.

Size Protects Unilever

(Continued from Page 11)

from other foodstuffs. It also makes chemicals and packaging materials, and operates palm and tea plantations.

UAC International, the umbrella for its African activities, owns breweries and timber farms and sells office equipment, insurance and Caterpillar earth-moving equipment.

Unilever was born more than 50 years ago as the result of a decision by the biggest butter and margarine company in the Netherlands, Margarine Unie, and the British soap maker, Lever Brothers, to stay off each other's toes in world markets for animal and plant fats.

That was in 1929. Today, a complex corporate arrangement binds the Dutch and British companies, each run by the same board of 23 managers, headed by a three-member executive board, consisting of Mr. van den Hoven, Mr. Durham and a third member, Floot Maljers.

Sales in 1981 were equivalent of \$22.7 billion, up 9 percent from 1980. Net profits were \$748.1 million, an increase of 30 percent over 1980. Conservative budgeting saluted more than two-thirds of profits into retained earnings, which now exceed \$4.5 billion.

Twelve years ago, to trim swelling bureaucracies in London and Rotterdam, Unilever overhauled its management structure. The reorganization replaced a regional network with an intricate advisory organization that enables subsidiaries around the world to consult board members, each with a two-person staff, for advice on strategy or engineering or research problems.

"The fact of a large board," Mr.

van den Hoven says, "means short communication lines and quick decisions. The strength of Unilever is its compactness. It looks large and cumbersome, but it's a flexible procedure."

Most of today's Unilever executives come out of business schools, and the company gives them further training at its own management school in England. But there are no set patterns. Mr. van den Hoven, 59, was 14 when he joined the company as a clerk in 1938. Mr. Durham, 58, was a research physicist for 20 years before shifting to the business side.

Whatever the structure's long-term effects, analysts and competitors agree it has performed well so far. In the last 10 years, they note, sales in Europe rose 30 percent by volume, while the number of employees declined 15 percent. Productivity improved an average 4 percent annually.

Despite Unilever's move into developing countries, with their rapid growth rates, Mr. van den Hoven denies that the company considers Europe a saturated market.

"Take detergents," he says. "Growth is about 2 percent a year. But some sections, like low-temperature items, will grow 10 percent. It depends on your position in the growth sectors." To get position, he says, Unilever is stepping up investment in basic research, to develop new products, and in market research, to "find niches for them."

The United States, which accounts for only about 12 percent of Unilever's worldwide sales, is also a major investment target, Mr. van den Hoven says.

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The International Herald Tribune invites you to meet the ASEAN Government leaders at an international conference on:

Trade and Investment Opportunities in the ASEAN Countries

February 9, 10 and 11, 1983 in Singapore

In the midst of an international economic crisis, Indonesia, Malaysia, the Philippines, Singapore and Thailand, the five members of the Association of Southeast Asian Nations, continue to show growth rates of 5% to 7% annually.

Their rapid economic growth has led to a major increase in their imports from the United States, Japan and Europe, and ASEAN is expected to be the most rapidly growing market for the industrialized countries through the 1980's.

Abundant natural resources, an increasingly skilled and competitive labor force and political stability make the area particularly appealing to companies seeking to expand their activities internationally. Moreover, the ASEAN countries have been actively encouraging foreign investment in recent years.

The International Herald Tribune's conference on "Investment and Trade Opportunities in the ASEAN Countries" will be an unprecedented opportunity to hear and question in a single forum the government officials who are responsible for formulating the trade and investment policies of these five countries.

The delegation from each country is listed below. A spokesman from each of the three major trading partners of ASEAN — the United States, Japan and the EEC — has also been invited to participate.

- INTRODUCTION TO ASEAN
- H.E. Mr. Chan Kai Yau, Secretary General of ASEAN
 - Mr. Masao Fujioka, President, Asian Development Bank
- REPUBLIC OF INDONESIA
- H.E. Professor J.B. Suranin, Minister of State, Vice Chairman of Bappenas (National Development Planning Agency)
 - H.E. Professor I.R. Soedarsono Hadisapetoro, Minister of Agriculture
 - I.R. Suhartono, Chairman of BKPMP (Investment Co-ordinating Board)
 - H.E. Mr. Sumitro Djopahadikusumo, Consultant, former Minister of Finance, of Trade and of Research and Technology
- FEDERATION OF MALAYSIA
- H.E. Tengku Dato' Ahmad Rithauddeen Bin Tengku Ismail, Minister of Trade and Industry
 - H.E. Tan Sri Dato' Ishak Bin Patch Aldir, Chairman of MIDA (Malaysian Industrial Development Authority)
- REPUBLIC OF SINGAPORE
- H.E. Dr. Tony Tan Keng Yam, Minister of Trade and Industry
 - Mr. Hoang Peng Yuen, Chairman of the Economic Development Board
 - An invitation has been extended to H.E. Mr. Lee Kuan Yew, Prime Minister of the Republic of Singapore
- REPUBLIC OF THE PHILIPPINES
- H.E. Mr. Cesar Virata, Prime Minister
 - Mr. Jose P. Lavista, Jr., Deputy Minister of Trade and Industry
 - Third speaker to be announced
- KINGDOM OF THAILAND
- H.E. Major General Charichai Choonhavan, Minister of Industry
 - Mr. Sunoh Unakul, Secretary General of the National Economic and Social Development Board
 - Mr. Charnchai Leethavorn, Secretary General of the Board of Investment
 - Dr. Thongchai Hongladaromp, Governor of Petroleum Authority of Thailand
 - Mr. Sivavong Changkrisri, Director General, Department of Mineral Resources, Ministry of Industry
- TRADE WITH ASEAN
- The three guest luncheon speakers will represent major trading partners of the ASEAN nations: the United States, Japan and the European Community.
- Mr. William E. Brock, United States Trade Representative
 - Mr. Naohiro Aruya, Senior Advisor on International Economic Relations to the Ministry of International Trade and Industry, Japan
 - Viscount Etienne Davignon, Vice-President, Commission of the European Communities

CONFERENCE REGISTRATION FORM

Please enroll the following participant in the conference to be held February 9-11, 1983 in Singapore.

The participation fee is US \$1,500 for each participant. This includes lunches, cocktails, a reception and conference documentation. Fees are payable in advance of the conference and will be returned in full for any cancellation that is postmarked on or before January 25. A cancellation fee of US \$400 will be incurred after this date. Cancellations received by the organizers less than 5 days before the conference will be charged the full fee.

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For further information please contact the International Herald Tribune in Paris. Tel.: (33-1) 747.12.65, Tx.: 612832. Or Far East Consult Pte Ltd. in Singapore. Tel.: (65) 733 85 69.

Conference location: Mandarin Hotel. Information on preferential rooms rates will be sent to you on receipt of this form.

BOOKS



B.C.

HOW'S THIS?..... "WHAT YOU DON'T KNOW WON'T HURT YOU"

WISE SAYINGS

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WISE SAYINGS

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BEETLE BAILEY

IS YOUR DOG GOING TO HOWL ALL NIGHT?

I DON'T KNOW. I'LL ASK HIM

OTTO, ARE YOU GOING TO HOWL ALL NIGHT?

NOOOOOO

MOE WATNER

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WIZARD of ID

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A Journey Among the Polar Bears
By Richard C. Davids. Photographs by Dan Guravich.
140 pp. \$29.95.
Macmillan, 866 Third Avenue, New York, N.Y. 10022.

FOLLOW THE WILD DOLPHINS
By Horace Dobbs. 263 pp. \$15.95.
St. Martin's, 175 Fifth Avenue, New York, N.Y. 10010.

DOLPHINS AND PORPOISES
By Richard Ellis. 270 pp. \$25.
Knopf, 201 East 52d Street, New York, N.Y. 10022.

THE DELICATE ART OF WHALE WATCHING
Joan McIntyre, 144 pp. \$12.50.
Sierra Publishing, 2 Park Avenue, New York, N.Y. 10016.

Reviewed by Vic Sussman

"THERE is no end to the life of bear-watching," Richard C. Dobbs writes in the words of the Arctic, "a lively and detailed profile of 'ursus maritimus,' the polar bear . . . arborer of five million square miles of snow and ice."

Yet, although known since antiquity (polar bears were kept as pets by kings, Roman emperors, and — as hieroglyphics inexplicably attest — in Pharaonic Egypt), little of scientific interest was learned of the creatures until recently. Spurred by threats to the bears' existence, scientists from the "polar bear nations," Canada, Denmark, Norway, the Soviet Union, and the United States, now actively study the bears' life cycle.

David and photographer Dan Guravich, unashamedly polar bear lovers, spent five years avidly following these investigations. Traversing the arctic by helicopter, pup, ambla buggy, and dog sled, they watched (and were watched by them, often uncomfortably close) and collected the observations of researchers and native people. The result is a treasury of polar bear lore skillfully blended with the latest biological data on these magnificent and endangered beasts.

Guravich's striking color photographs show bears in mock battles, caring for cubs and wandering the ice in search of ringed seals, their primary food.

Horace Dobbs, filmmaker, conservationist and diver, has also spent years studying marine mammals. He is the author of "Follow the Cold Dolphins." But Dobbs finds cubs primarily on "Donald," a 12-foot, 750-pound wild bottlenose dolphin who freely associated with humans for six years along the English coast.

Amiable and insatiably curious, Donald teased divers and fishermen, played with children, and "appeared to take a special delight in disrupting the activities of serious-minded humans."

Not everyone could touch or approach him, but those graced, like Dobbs, became the stuff of dreams: "When Donald swam to me I gratefully grasped his dorsal fin. Donald accelerated out toward the sea. It was low water and I could see the dark green kelp and bright yellow sand passing in a blur underneath me as I set off on another switchback ride that set me tingling with pleasure and excitement."

Once, six months after he would mysteriously vanish from the Isle of Man coastline, Dobbs was randomly diving off Wales when "out of the misty waters came the cheery gray face of Donald."

He came to inspect me briefly, nodded his head and flashed away. Who would believe me? We were over 200 miles from his old haunts."

Why would a lone dolphin (they normally travel in schools) seek out humans? Science has no explanation. Dobbs, a scientist (in veterinary research) waxed mystical, suggesting that Donald may have been "a dolphin ambassador to humanity." Outraguous? But Donald was great and so are the concerns this appealing book raises about our

ethical relationship to other species.

In "Dolphins and Porpoises," Richard Ellis deplores our destruction of these animals and their habitats (one Pacific fishery alone has killed "some six million dolphins since 1967"). And, like Dobbs, he warns about the mysteries surrounding dolphins. But Ellis is conversative ("the idea of talking to dolphins — and expecting them to answer — is anthropocentrically arrogant"), warning us to "see this animal as a dolphin, not as a semi-human that just happens to live in the water, waiting for us to strike up a conversation."

His book is encyclopedic, comprehensive, and definitive on the natural history of dolphins and porpoises (confusingly interchanging terms, says Ellis). More than 100 photos, drawings, and color paintings by Ellis, an excellent marine artist, bring the wondrous creatures to life.

Beyond their mystique, as Ellis demonstrates, the facts of dolphin/porpoise life are amazing: consider their incredible ability to echo-location (they use sound to find their food and objects, (the Ganges River dolphin, "almost totally blind," was able instantly to locate and inspire a lead ball "just over 18 inch in diameter") or the possibility that some dolphins can generate sounds loud enough to stun or kill their prey (little is known how dolphins catch their food and "ecofunction" remains an intriguing possibility), or that various dolphins and whales will aid others when injured, supporting the view "in pulling it to safety ("It is possible," Ellis says cautiously, "to assign to them some sort of instinctive compassion").

But lest the charms of dolphinology lure you into briny fantasies, read Joan McIntyre's "The Delicate Art of Whale Watching" before you pack your snorkle. This is not, as the title suggests, a Baedeker of whales. Rather, it is an introspective essay written by a woman intent on sounding her own depths.

McIntyre, former President of Project Whale, a conservation group which tries to educate the public about cetaceans, burned out ("I had seen my own best intentions turned into stupidity") and retreated to a Pacific island, to the ocean — "the essential doctor, the great healer."

And, having long dwelled on the consciousness of whales and dolphins (her first book was "Mind in the Waters") she pondered human consciousness and the possibility of achieving "that essential grace the universe bestows upon herself so carelessly . . . to travel/so lightfooted . . . fully conscious on this earth."

We cannot do this merely by whale watching, a metaphor for our restless voyeurism, "our hunger for every experience," says McIntyre. Awash in the baggage of vicious living, we become adept at "not seeing. Camerascopes and recorders, yes, assault the natural world "as if they could be held, or the whale's voice carried in a suitcase." And by projecting our spiritual needs onto nature we "bind ourselves into a circle of illusion, and turn the sea into a circus because we have so much

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BRIDGE

BRIDGE

By Alan Truscott

MAKING a slam against an opponent who has opened with a strong no-trump does not happen every day, but it happened here. The overall of two clubs showed length in clubs and hearts, in accordance with the Broué convention being used by the partnership.

East tried four spades, a contract that would have made eight tricks after inspired defense beginning with the diamond ace, and 11 tricks after uninspired defense beginning with a club lead.

Not surprisingly in view of the strength of controls and power in the file fit, South felt able to bid hearts at the five level, and persevere at the six level and West raised spades.

West doubled the slam indignantly and made the routine lead of the spade king. South happily shuffled, drew trump and led the club king. When West won and East showed out, the finesse against the jack was established and South claimed the remaining

"I suppose I should have led the club ace," said West sadly in the post-mortem. "But I did not know my partner was void."

"If you are going to improve your defense," responded South, "I'll improve my bidding and try six clubs. You can't beat that."

NORTH

♠ J3
♥ KQ87
♦ 3
♣ 107642

EAST

♠ 1087642
♥ 64
♦ Q1086
♣ —

WEST

♠ AK95
♥ J5
♦ KJ97
♣ A39

SOUTH

♠ A10932
♥ A54
♦ K853
♣ —

Neither side was vulnerable.

The bidding:

West	North	East	South
1 NT.	2 ♣	4 ♠	5 ♣
3 ♠	4 ♠	Pass	6 ♣
Del.	Pass	Pass	Pass

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